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THE HISTORY OF LLOYD'S

AND OF MARINE INSURANCE

IN GREAT BRITAIN.

THE

HISTORY OF LLOYD'S

AND OF

MARINE INSURANCE IN GREAT BRITAIN.

WITH AN APPENDIX

CONTAINING

STATISTICS RELATING TO MARINE INSURANCE.

BY

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PREFACE.

MARINE Insurance, the oldest of the many forms of mutual protection against losses that take their place among the uniting bonds of civilization, has as yet found no chronicler; and this volume represents the first attempt to give a connected history of it, as far as regards Great Britain. It is a history of deep interest to a commercial nation like ours, teaching lessons the importance of which can scarcely be overrated in an age when the very existence of the teeming millions that inhabit these islands, the export of the produce of their hands to and the import of their food supplies from all parts of the globe, depends on the rapid and uninterrupted movement of vast commercial fleets, which cannot be carried on without a well-organized system of marine insurance. To show how the system became developed to its actual extent, slowly at first, when our foreign commerce was in its infancy, and more and more rapidly, with the growth of trade, to its present dimensions, is the main object of the work.

The statistical appendix aims at laying a few foundation stones for a scientific basis of marine insurance. Whether this aim is capable of realization, is a question which time only can solve. What is undeniable is that marine insurance, though in existence centuries before life insurance was even thought of, is still behind the latter, in not resting, as this does, on the firm ground of mathematical calculations, drawing laws of probabilities from the results of experience. At this moment, the business of marine insurance is subject entirely to the exercise of personal and individual experience, fallible in its very nature, even when brought to the utmost possible perfection; while life insurance, on the other hand, stands on the solid foundation of "mortality tables," and of actuarial computations derived from a vast amount of widely gathered statistics. To construct "mortality tables" for ships, the same as for human beings, is no doubt a matter of greater complication; still there appears no absolute impossibility for the accomplishment of the task. It will, doubtless, be a gigantic labour to gather the whole of the materials requisite for the work, and there is, probably, but one body of men capable of undertaking it, namely, the Corporation of Lloyd's.

The history of marine insurance, bound up with wars, and frauds, and all the vicissitudes of commerce, has a romance of its own, which it was not possible altogether to exclude from this work, as it forms part of the subject. But, while giving the

adventurous its place, the plan of a strictly historical recital of events has not been deviated from. It is in pursuance of this plan that the history of the ancient confederation of underwriters known as "Lloyd's" occupies a large space in the history of British Marine Insurance. The kind and cordial assistance rendered by the Committee of Lloyd's, and by many members of the Corporation, in this undertaking, has made it possible to give a mass of information respecting the history of marine insurance in general, and of Lloyd's in particular, that would otherwise have been unattainable. The archives of Lloyd's—huge stores of manuscript papers and immense leather-cased folios, partly singed in the great fire of 1838 that destroyed the Royal Exchange, in the vaults of which they are still resting—have been thoroughly examined, and this has produced a great variety of interesting and valuable facts regarding marine insurance, now published for the first time. Likewise, for the first time, this history gives some information concerning the individual Lloyd, founder of the great Corporation bearing his name. Though there is scarcely a name more widely pronounced all over the globe than that of Lloyd, adopted as it is by numerous commercial associations connected with navigation and shipping, nothing was hitherto known as to the life of the man Lloyd. He was to historical writers, and the world in general, an altogether shadowy entity, an unrecognizable "Mr." Lloyd, a "coffee-

house keeper" so obscure as to be wanting even a Christian name. Researches in the chief public and many private libraries, notably among the vast book and manuscript collections of the British Museum and the Bodleian Library, have resulted in the discovery, now presented, of many particulars about the "Mr." Lloyd, which, if not giving his complete biography, show at least that he was not a mere "coffee-house keeper," but a man of literary attainments, who established and conducted more than one newspaper. In these publications was the real root of the great institution now exercising a world-wide influence. Its importance need not be dwelt upon. At the present hour all the conditions under which marine insurance is carried on, and under which it influences trade and the ever-growing demands of civilization, have come to be of the utmost significance, not only hundreds of millions of property, but the more valuable lives of the thousands of brave men who steer our treasure-laden fleets of commerce across the seas, resting in no slight degree under its wings. Perhaps it may yet be found that the wings are as safe as any that human foresight can construct—that the best possible and securest protection for British sailors and British ships lies in a perfect system of marine insurance, securing alike the true interests of individuals and those of the nation.

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THE HISTORY OF LLOYD'S AND OF MARINE INSURANCE IN GREAT BRITAIN.

CHAPTER I.

THE MERCHANTS OF THE STEELYARD.

ON the left bank of the river Thames, about a quarter of a mile above London Bridge, on the spot now covered by the massive gloomy arches over which the trains of the South-Eastern Railway sweep into Cannon Street, there stood till within the last ten or twelve years a group of buildings of singular historic interest. The group, comprising vast ranges of warehouses, surrounded by high walls, broken through by a river gate and outlets into the surrounding thoroughfares—Allhallows Lane in the east, Upper Thames Street in the north, and Cosin's Lane in the west—bore originally, previous to the reign of Edward IV., the name of Gilhalda Teutonicorum, or Guildhall of the Germans, which name became subsequently changed into that of Staelhof, a contraction of Stapelhof, that is, the staple-house. To the people of London the place was

known as the Stilliard, Stcleyard, and, in later times, Steelyard, and its inhabitants as the Merchants of the Steelyard. These merchants of the Steelyard and their Teutonic predecessors, for more than five centuries, from the reign of Edward the Confessor to that of Elizabeth, had in their hands the greater part of the commerce of England. In their large staple-house on the Thames, and in two smaller ones at Boston and Lynn, there were stored the collections of raw produce—wool, tin, and hides the chief of them—which England sent away to foreign countries, as well as the multifarious articles obtained in exchange from abroad, including, as enumerated by Stow, "wheat, rye, and other grain, cables, ropes, masts, pitch, tar, flax, hemp, linen cloth, wainscots, wax, steel, and other profitable merchandises." These Merchants of the Steelyard, in great part founders of our foreign commerce, and the first large traders and shipowners of this country, were also the originators of marine insurance in England.

Of the remote beginning of marine insurance as little is known as of the beginnings of most human arts, industries, and occupations. The probability is that marine insurance in some form or other, differing from that developed among us in course of time, dates back to antiquity, and is coeval with maritime commerce itself. The ancient Phœnicians, the Greeks, the Romans, if unacquainted with anything like the art of "underwriting" practised at Lloyd's, were in the habit none the less of guarding themselves against some of the risks of maritime enterprise by various systems of insurance, whether in the shape of loans or of mutual guarantee. There is reason to believe that the loan form still known and extensively practised under the name of "Bottomry" is one of the eldest. Bottomry may be defined as the mortgage of a ship, *i. e.* her bottom or hull, in such a manner that, if the ship be lost, the lender likewise loses the money he advanced on her; but that, if she arrive safely at the port of destination, he not only gets back the loan, but receives, in addition, a certain

premium previously agreed upon. It is probable that the system of insurance arising out of Bottomry came to be the oldest and most wide-spread form of marine insurance, principally for two reasons, the first being the extreme simplicity of the transaction, and the second the desire to escape the penalties of the universally prevailing laws against usury, by which was understood the lending of money on interest. As is well known, the putting out of capital at interest was altogether prohibited in certain countries, notably in Western Europe, during the Middle Ages, when, acting upon some misunderstood texts of Scripture, the church declared all money-lending to be utterly sinful, and punishable by the arm of civil as well as of ecclesiastical justice. Less stringent laws prevailed among the nations of antiquity, who generally allowed, or tolerated, the lending of money, provided it was done at a fixed rate of interest. Even in this case the practice of Bottomry offered great advantages over other forms of marine insurance, as is evident from an edict of the Emperor Justinian, passed A.D. 533. The edict reduced the legal maximum rate of interest to six per cent., but a special exemption was made in favour of "Fœnus Nauticum," or Bottomry, which was permitted to be twelve per cent., on the ground that this was not a mere lending of money, but an adventure involving the risks of the sea. Commenting upon the Justinian law, the author of the "Decline and Fall of the Roman Empire" remarks: "Twelve [per cent.] was granted to nautical insurance, which the wiser ancients had not attempted to define, but except in this perilous adventure the practice of exorbitant usury was severely restrained." It is noticeable that other authors besides Gibbon use the term Nautical for the oldest form of marine insurance.

While it is certain that the form of marine insurance known as Bottomry—a form differing in its essence from that at present existing only so far, that while Bottomry loans are compensations advanced before the actual loss of a ship, modern policies of insurance are promissory notes to pay

compensation after the loss has occurred—existed among the ancient Greeks and Romans, there is some doubt as to whether it was practised, immediately after the revival of commerce in the Middle Ages, in Italy and the other Mediterranean states. There is no mention of Bottomry or of marine insurance in any form in the old maritime laws of Spain, Portugal, France, Italy, and neighbouring countries inhabited by Latin races. The oldest known of their codes, the so-called "Rooles d'Oléron," or "Laws of Leyron," a compilation the date of which is supposed to fall between the twelfth and the thirteenth centuries, makes no allusion to Bottomry; nor is there any in the "Consolato del Mare," a collection of maritime laws probably dating from the middle of the thirteenth century. It is in the sea-code of the Northern nations, the "Laws of Wisby," compiled probably about the commencement of the fourteenth century, that the word Bottomry occurs for the first time, and it is therefore reasonable to suppose that the revival of marine insurance in the Middle Ages was due to that famous confederacy of merchants and traders, mostly of Teutonic nationality, known as the Hanseatic League.

The Laws of Wisby—named so after the town of Wisby, on the western coast of the Isle of Gothland, in the Baltic, long one of the chief staples of the great League, and overflowing with wealth, but reduced to insignificance at the present day—barely more than refer to Bottomry; but the fact of its being fully understood and extensively practised by the Hanseatic traders is proved by the contents of the various sea-codes known as "Recessus Hansæ," and "Recessus Civitatum Hanseaticarum." These collections of ordinances, decreed at the general meetings of the members of the Hanseatic League, mostly held at Lübeck, nominal head of the great naval confederacy, all speak of Bottomry as an important part of maritime commerce. An early "Recessus" of Lübeck has a whole chapter on Bottomry—Bödemerey—curious in many respects, and showing, among others, that at the earliest periods insur-

ance produced insurance frauds. "Whereas," says the first paragraph of the sixth chapter of the "Recessus" referred to, "there occur every day more deceptions as regards Bottomry, and there is not wanting even discovery of wicked crimes, it is ordered that henceforth masters of vessels shall have no power to raise money on Bottomry at the place where the freighters reside, in order that the free parts of the ship may not be burthened with charges resting on those that are engaged. And in case masters wish to raise money on Bottomry upon parts belonging to them, it must be with the knowledge of the freighters, at the place where they live, and only to the extent of their interest. Should anybody lend more than this, he who has advanced the money shall only have a claim on the master's property and not on the ship, and the master, if necessary, shall be punished." An exception to this rule is made in the second paragraph of the same chapter, which gives permission to masters of vessels to get Bottomry loans in foreign countries under certain circumstances, when they have met with accidents and have no goods to dispose of, nor any other means of raising the money requisite for repairing the damages incurred. In this case they were allowed to incur Bottomry loans for just as much as they required, and no more. By the third paragraph of the same chapter, it was ordered that the master of a vessel raising Bottomry loans in foreign countries, in a fraudulent manner, shall not only be answerable with all his property, but may incur the penalty of imprisonment, and even death. It will be seen from these rules, specimens of many others, that marine insurance, in the form of Bottomry, was widely known and practised by the merchants of the Hanseatic League.

If, as is highly probable, Bottomry, dating back to the Greeks and Romans, formed the commencement of marine insurance at the revival of commerce in the Middle Ages, it was not long in growing out and developing into the modern system of insurance, which latter also was early

practised by the members of the Hanseatic League. The word Insurance, understood and clearly described as meaning insurance in the modern sense, occurs for the first time in an old historical work called the "Chronyk van Vlaendern," which refers distinctly to the existence of marine insurance, as early as the beginning of the fourteenth century, at Bruges, one of the great marts and chief staples of the Hanseatic League. The words of the "Chronyk van Vlaendern" are: "On the demand of the Inhabitants of Bruges, the Count of Flanders permitted, in the year 1310, the establishment in this Town of a Chamber of Assurance, by means of which the Merchants could insure their Goods, exposed to the Risks of the Sea, or elsewhere, in paying a stipulated Percentage. But in order that an Establishment so useful to Commerce might not be dissolved as soon as formed, he ordered the laying down of several Laws and Regulations which the Assurers, as well as the Assured, are bound to observe." As there is no confirmation of this statement in any contemporary evidence, the fact of there having been a Chamber of Insurance at Bruges at so early a date, as well as the existence of the modern form of marine insurance at that period, has frequently been doubted. But no good reason can be given for such doubt. The statement of the "Chronyk" is clear and circumstantial, and if there is no evidence—that is, no evidence that has come down to us—in its favour, neither is there any against it. On the contrary, it seems extremely probable that the merchants of the Hanseatic League, as far-seeing, enterprising, and grand in their conceptions as any merchants that ever lived, and powerful enough to sway the destinies of kingdoms, should have invested a fraction of their immense wealth in the foundation of an "Establishment so useful to Commerce" as an office of insurance. Bruges, then rapidly approaching the zenith of its grandeur, as a centre of commerce and staple of all the commodities which the Hanseatic merchants, universal carriers of the north, dispersed through Europe, was particularly well adapted

for the working of such an insurance institution—a sort of early Lloyd's. So immense was the commerce of Bruges in the middle of the fourteenth century, that, according to the author of the "Annales Flandrice," there arrived frequently one hundred and fifty vessels with a single tide in the port of Sluys, the outer harbour of Bruges. Marine insurance could scarcely have had a fitter birthplace than this Bruges, the London of five hundred years ago.

Whether the representatives of the Hanseatic League in England, the merchants of the Steelyard on the Thames, practised as early as their brethren at Bruges and on the Continent the modern form of marine insurance, or continued till a later period the older Bottomry, and whether they insured their ships and cargoes among themselves, or took advantage of the capital of strangers, are facts about which little or nothing is known. The Steelyard merchants carried on all their affairs with the utmost secrecy, and lived personally in an entire state of seclusion, like the inmates of a monastery. Indeed, the Steelyard was a monastery, the only difference from the institution usually so called being that the Hanseatic monks were trading instead of praying, their daily occupation being, not psalm-singing, but money-making. The vast buildings on the river-side, as far as they did not serve as stores for the immense quantities of merchandise collected within, were divided into separate cells, built only for single men, the whole opening out into common reception rooms. No inmate of the Steelyard was allowed to marry, nor even to hold intercourse with or visit any person of the other sex, and a breach of the law, however slight or temporary, was followed by immediate expulsion, if not severer penalties. At a fixed hour in the evening all the inmates had to be at home, and the gates were rigidly closed; and at a fixed hour in the morning, varying with the seasons, the gates were opened again. All the meals were taken in common, and, as became commercial monks, they ate and drank whatever best was to be had from every land and clime. Possessing the privilege of selling Rhenish

wine, wholesale as well as retail, they kept enormous stores of the article, and, it is very probable, consumed themselves not the worst vintages, mindful of quality as well as quantity. The government of the Steelyard was under a council, or committee, consisting of twelve members, namely, a master, or alderman, two assessors, and nine common councilmen. Annually, at New Year's Eve, there was a general assembly of all the members of the Steelyard, at which, besides other business transactions of an important nature, there took place the election of the council. On the next day, that of the new year, the master was solemnly installed in office, after taking, together with assessors and councilmen, the following oath: "We promise and swear to keep and uphold all and every the rights and privileges of the Hanse merchants in England, as well as to obey the laws and regulations made for them, all to the best of our abilities; and we promise and swear to deal justly towards every one, whether powerful or humble, rich or poor. So help us God and all His saints!"

The "rights and privileges" watched over by the council of the Steelyard merchants were of a very important nature, the offspring of five or six centuries, during which the ever wealthy traders of the Hanseatic League acted the part of perpetual money-lenders to the ever needy kings of England. As far back as the time of Ethelred II., the German merchants met with kingly patronage, for in the second year of the reign of this king, A.D. 979, the "Emperor's men"—as they were then and long after called, described as coming with many ships to Billingsgate,—were held "worthy of good laws," *i.e.* privileges, in return for certain tólls and gifts to the royal exchequer, including five pairs of gloves, ten pounds of pepper, vessels of vinegar, and sundry pieces of cloth, to be presented regularly at Christmas and Easter. The "Emperor's men" and "Easterlings" continued to retain the goodwill of all the succeeding monarchs of England till the middle of the thirteenth century, when they came to be not merely favoured, but had thrust upon them for

some time an almost absolute monopoly of trade. There is among the Harleian manuscripts in the British Museum a paper inscribed, "Grauntes of Privileges by Kings of England, from King Henry III. to King Edward VI., to the Haunses of the Styllyard," which shows the vast extent of the rights bestowed upon the merchants of the League. They were free of many imposts and burthens resting upon native industry; they paid fixed customs duties instead of being subjected to numberless vexatious tolls and extortions, placed in the way of the general commerce of the country; they had liberty to ship their goods in whatever bottom they liked; they were under a separate jurisdiction from that of the rest of the mercantile community; and, finally, they were governed, personally and as a body, by their own self-elected rulers and administrators. In nearly every respect the members of the Hanseatic League residing in England formed a state within a state. The enormous privileges possessed by them naturally gave rise to no little jealousy on the part of the native merchants, and there were constant attempts, violent and legal, to drive the favoured aliens from the country. Violence, however, attempted in frequent London riots, had no other result but that of setting the Steelyard merchants to strengthen their walls and regularly fortify themselves; and the legal means had only, and could only have, effect at the time when the trade of England had become sufficiently important and self-dependent to exist without foreign aid. As long as it existed, the great Hanseatic trading corporation was—as the succeeding kings and governments clearly perceived, though municipal jealousy could not be brought to see it—of infinite service to England, since without these aliens there would have been little, if any, international intercourse. As soon as the usefulness of the Hanseatics was at an end, their existence in England came to an end too. The close of the Steelyard on the Thames was simultaneous with the rise of English commerce—the wonderful period commonly designated as the reign of Queen Elizabeth.

The valiant Steelyard merchants, fighting as well as trading men, though their time had come, did not give in without a struggle. It was early in the reign of Queen Elizabeth that the English executive, under the direction and impulse of Sir William Cecil, afterwards Lord Burleigh—repeating a similar attempt made during the short reign of Edward VI.—undertook to deprive the Hanseatics of their ancient privileges by various enactments, laying heavy duties on all their imports and exports. But this had no sooner been done than the merchants rose in revolt, and made a strong appeal to the Diet of the Hanseatic League to interfere in their favour. The Diet did as they were asked, and to coerce the government of Elizabeth, not only laid heavy imports upon all English traders residing in the towns of the League, but stopped the operation of the Merchant Adventurers, the most important English company of the day engaged in foreign commerce. It was a measure which, effective as it might have been a century before, could not but be resultless now, seeing that the power of the once formidable League was ebbing fast away. Knowing his own strength and the weakness of his antagonists, Cecil—fortified in his commercial policy by the earnest counsel of the "Royal Agent" in Flanders, Sir Thomas Gresham—was not to be intimidated, and boldly carried out his original intention. By a decree issued in 1578, all the privileges, of whatever nature, possessed by the Steelyard merchants, were declared null and void for ever, and by another decree of the following year, they, together with all other foreigners, were forbidden to exercise one of the most profitable branches of their business, that of exporting English wool. This led to one more rebellion, in a forcible appeal to the Diet of the League, which having been replied to with threats to the English government, as before, there came the last stroke of Cecil's hammer. It was threatened by the Hanseatic Diet that unless the Steelyard merchants were re-installed in their ancient privileges, granted to them by former kings, the

English company of Merchant Adventurers would be expelled from the town of Staden, and other parts of Germany where they had settled. The answer to this was a royal proclamation, ordering the closing of the Steelyard not only, but expelling the German merchants from the kingdom, they being commanded, under severe penalties, to leave on or before the last day of February, 1597. They left accordingly, never to return, and the gates of the great Hanseatic Staple on the Thames closed behind them. An order of the Privy Council, dated January 30th, 1598, directed the Lord Mayor of London to prepare the vacant building "after the avoydinge and departinge of the strangers that did possess it," for the use of the government, it having been determined "that the said house of the Stilliards shall be used and employed for the better bestowing and safe custodie of divers provisions of the navy." Suffering more from the hand of renovators than from natural decay, the solid walls of the Steelyard remained standing after this for more than two centuries and a half, till disposed of, in August, 1863, as "old building materials," to make way for the Cannon Street railway. Steam-engines now run shrieking day and night over the spot on which the foreign commerce of England centered for a dozen generations.

Four years after the departure of the Hanseatic merchants from the Steelyard, the English parliament passed a statute, prepared by the government, entitled "An Acte concerninge matters of Assurances amongste Merchantes." The act, highly memorable as the first in the statute-book regarding marine insurance, was passed in the parliamentary session extending from the 27th September to the 19th December, 1601, and marked as the twelfth chapter of the forty-third of Elizabeth. It runs as follows:—"Whereas it ever hathe bene the policie of this realme by all good meanes to comforte and encourage the merchante, therebie to advance and increase the generall wealthe of the realme, her majesties customes and strengthe

of shippinge, which consideracion is nowe the more requisite because trade and traffique is not at this presente soe open as at other tymes it hathe bene; And whereas it has bene tyme out of mynde an usage amongste merchantes, both of this realme and of forraine nacyons, when they make any great adventure (speciallie into remote partes) to give some consideracion of money to other persons (which commonlie are in noe small number) to have from them assurance made of their goodes, merchandizes, ships and things adventured, or some parte thereof, at suche rates and in such sorte as the parties assurers and the parties assured can agree, which course of dealinge is commonlie termed a policie of assurance; by means of whiche policie of assurance it comethe to passe that upon the losse or perishinge of any shippe there followethe not the undoinge of any man, but the losse lightethe rather easilie upon many than heavilie upon fewe, and rather upon them that adventure not than those that doe adventure, whereby all merchantes, speciallie the younger sorte, are allured to venture more willinglie and more freely; And whereas heretofore suche assurers have used to stande so justlie and preciselie upon their credites as fewe or no controversies have risen thereupon, and if any have growen the same have from tyme to tyme bene ended and ordered by certaine grave and discreete merchantes, appointed by the Lorde Mayor of the Citie of London, as men by reason of their experience fitteste to understande and speedilie to decide those causes, untill of late yeears that divers persons have withdrawen themselves from that arbitrarie course, and have soughte to drawe the parties assured to seeke their moneys of everie several assurer, by suites commenced in her Majesties courtes, to their greate charges and delayes; For remedie whereof be it enacted by the authoritie of the presente Parliamente." Now comes the enactment, instituting a special court for trying actions of marine assurance. It may be observed here that no reports of the law suits referred to in the statute are, as far as careful investigations have shown, at present in existence.

The enactment is as follows:—"That it shall and may be lawfull for the Lorde Chauncellor, or Lorde Keeper of the greate seale of Englande for the time beinge, to awarde foorthe, under the greate seale of Englande, one generall or standinge commyssion, to be renewed yeerelie at the leaste, and otherwise soe ofte as unto the saide Lorde Chauncellor or Lorde Keeper shall seeme good, for the hearinge and determynynge of causes arisinge out of pollicies of assurances, suche as now are or hereafter shall be entered within the office of assurances within the Citie of London, and whereof no suite shall be dependinge the laste day of this session of Parliamente in any of her Majesties courtes; whiche commission shall be directed unto the judge of the admiraltie for the tyme beinge, two doctors of the civil lawe, and two common lawyers, and eighte grave and discreete merchantes, or to any fyve of them; whiche commyssioners, or the greater parte of them whiche shall sit and mete, shall have by vertue of this present acte full power and authoritie to heare, examyne, order and decree all and everie suche cause and causes concernynge pollicies of assurances in a briefe and summarie course, as to theire discrecion shall seeme meete, without formalities of pleadinges or proceedinge. And be it further enacted by the authoritie afore saide that it shall be lawfull for the sayde commyssioners as well to warne anye of the parties to come before them as alsoe to examyne upon oathe any witness that shall be produced, and to commytt to prison, without baile or maineprise, any that shall wilfullie contemne or disobey their fynall orders or decrees, and that the saide commyssioners shall vnce everie weeke at the leaste meete and sit upon the execucion of the saide commyssion in the office of the assurances, or in some other convenient publike place by them to be assigned, and that noe persone by vertue of this acte may clayme or exacte any fee for any matter or cause concernynge the execucion of the saide commyssion. And be it further enacted by the authoritie aforesaide that if any persone shall be grieved by sentence

or decree of the saide commyssioners that such persone soe grieved may, at any tyme within two monthes of the saide decree soe made, exhibite his bill into the highe Courte of Chauncerie for the re-examinacion of suche decree; soe as every persone complaynante, before hee shall exhibite any such bill, doe either execute and satisfie the saide sentence soe awarded, or at the leaste lay downe, in deposite with the saide commyssioners, such summes of money as hee shall be awarded to pay, and that upon so doynge the saide complaynante shall be enlarged of his emprisonmente; and that the Lorde Chauncellor or Lorde Keeper for the tyme beinge shall have full power and authoritie, by vertue of this acte, upon every complainte made (in order as aforesaide) to reverse or affirme every such sentence or decree, accordinge to equitie and conscience; and that the saide Lorde Chauncellor or Lorde Keeper in every such suite broughte before hym by such assurers, and decreede againste the saide assurers, shall awarde double costes to the partie assured. Provided nevertheless that noe commyssioner shall intermeddle in the execucion of any such commyssion, in any cause or matter of assurance where hymselfe shall be either a partie assurer or assured, in the same assurance which is broughte in question, nor that any commyssioner (other than the said judge of the admiraltie, and the recorder of London) shall dele or procede in the execucion of any suche commyssion before he have taken his corporall oathe before the Lorde Mayore and courte of aldermen of the Citie of London to proceede uprightly and indifferentlie between partie and partie."

The statute of Elizabeth, here cited in its entirety, was closely modelled on the insurance legislation of the Hanseatic League, and its passing was due probably to the influence exercised by the growing body of merchants of London engaged in foreign commerce, who had the field all to themselves after the departure of the denizens of the Steelyard. It had long been urged upon the government to adopt some of the laws and customs of the famous

League for the furtherance of English commerce, and foremost among those who did so was Sir Thomas Gresham. The patriotic merchant, founder of the Royal Exchange, was earnest to enthusiasm in recommending to Queen Elizabeth the bringing into the country of Hanseatic institutions, and the driving out, or at least compressing within sharp bounds, of the Hanseatic traders settled in London. In a curious letter, written some twenty years before his death, while busy as "Royal Agent" at Bruges and Antwerp, Gresham advised the Queen, with remarkable energy of expression, on this matter. His counsel was, that "the greatt freedome of the Stillyarde and grantinge of licences for the carringe of your wool and other commodytes ought of your reallme, is now one of the cheffest pointes thatt your Majestie hath to foresee," and he finishes with the entreaty, "thatt you nevir restore the steydes called the Stillyarde again to their privelydge, which hath bine the cheffest pointe of the undoinge of this your reallme and the marchants of the same." To enforce his counsel, Sir Thomas told the Queen that he had given the like advice to "the Kinges Majestie your latte brother," and that the temporary following of it had produced the effect of bringing down at once the rate of exchange between England and the Continent, with the desired consequence of furnishing the king more money from foreign loans. "First," writes Gresham, "I practised with the Kinge and my lorde of Northumberlande to overthrowe the Stillyarde, or else it could not be broughte to passe, for that they would keep downe the exchainge by this consideracion;" and, having entered into details on this subject, he goes on to inform Elizabeth that "secondarely I practised with the Kinges Majestie, your brother, to come in credit with his own marchants, and when tyme servid I practised with them att a set shipping."

Sir Thomas Gresham's counsel bore good fruit in time, though how far he himself influenced legislation on marine insurance is not known. But it is certain, from several of his letters, that the vessels and cargoes which Gresham

despatched from Flanders and Germany to England were duly insured through the medium of Hanseatic merchants. In one of these letters, dated May, 1560, Sir Thomas instructed his agent at Hamburg, Michel von Dorovy, to charter three ships, to be loaded with gunpowder, on behalf of the English government, his precise order being to "adventure" two thousand pounds on each vessel, but to "assure" only one thousand pounds. To cover the uninsured property, Gresham requested the government to send some ships of war for the protection of the convoy; but this was not done, apparently for all prevailing economical reasons. From another of Gresham's letters, we learn the amount of premium charged at the time for marine risks. "Shipped by the Grace of God," he writes to Sir William Cecil from Antwerp, under date of 23rd September, 1561; "in the ship Martynne Styteman, of Hamburg, 790 corselets, 572 corriers [cuirasses], 555 morrions [steel caps]; and shipped in the Cristopher of Dyttemarche 42,000 weight of salte-peter, and 720 long corriers: all wyche goodes doth amount to the som of four thousand livres, wyche I have caused to be asseured after the rate of five livres upon the hundred for the more seurtie of the same, whyche I beseeche the Lorde to sende in safetie."

It is rather remarkable that the premium of insurance on voyages of sailing vessels from Hamburg to London is about the same now-a-days as it was when Sir Thomas Gresham sent armour for Queen Elizabeth's soldiers. Five per cent. is the average premium now charged by the underwriters at Hamburg, and five per cent. was charged more than two hundred years ago by the friends and correspondents of the Merchants of the Steelyard.

CHAPTER II.

LOMBARD STREET.

DURING the first half of the thirteenth century, when the Hanseatic League was near the period of its highest power and renown, there was a striking contrast between the social condition of North-western and of Southern Europe. It was illustrated with singular effect in a journey which the ambassadors of the Kaiser of Germany, Heinrich II., last great ruler of the House of Hohenstaufen, undertook from England to Italy. The warlike Kaiser, having sued for and obtained the hand of Princess Isabelle, sister of King Henry III., despatched a numerous body of princes, nobles, and prelates to London to bring him his bride; and the embassy having reached the English capital in the spring of 1235, the princess was taken away from her native land amidst a succession of pageants indicating the wealth and peaceful happiness of the country. There were flags and banners, joyful trumpetings, companies of citizens in rich apparel, on foot and on horseback, and processions of damsels in gayest apparel. The tokens of luxury and riches increased infinitely when the embassy, at the head of which were the Duke of Brabant and the Archbishop of Cologne, reached the continental shore. All through Flanders, at Antwerp, Bruges, and the numerous

smaller towns, grown wealthy through manufacturing industry hand in hand with active commerce, the coming spouse of the valiant and powerful Kaiser was received with extraordinary displays of pomp and magnificence, which culminated on her reaching the city of Cologne, head of the Rhenish division of the Hanseatic League. At the gates of Cologne, as minutely related by the old chroniclers, the Kaiser's bride was received by no less than ten thousand citizens, all on splendid horses, and all in richest garments, "like princes." Scarlet cloth covered the streets through which the English princess passed, and costly carpets hung from roofs and windows; and when, arrived near the cathedral, and visibly astonished at all the sights that met her eye, Isabelle lifted her veil and greeted the crowds to right and left, there arose, together with the frantic hurrahs of the multitude, "wondering at the angelic face," a far-sounding peal of music from a vast chorus of singers dressed in robes of cloth of gold. It was the same in pomp all along the Rhine. When, after a journey resembling a long triumphal procession, Isabelle had reached at last the imperial city of Worms, and, on the 20th July, celebrated her nuptials with Kaiser Friedrich—third consort of the ever-fighting Hohenstaufen—the population for four entire days gave itself up to an unceasing course of festivities, with open tables for all comers and fountains flowing with wine. The honeymoon ended, Friedrich set out for Italy, leaving his young wife at home, but accompanied by the Duke of Brabant and other nobles who had formed the embassy to England. Their eyes now beheld a picture very different from that witnessed just before. South of the Alps there were no more industrious towns and smiling citizens, but only burned fields, grim fortifications, and all the sights of long-continued warfare. The cities of Northern and Central Italy, fallen or fast falling from their former state of greatness and prosperity, after engaging in bitter internecine wars, had come to be the common battle-ground between Pope and Kaiser, between Guelphs and Ghibellines.

Friedrich II. engaging, in the new campaign he was undertaking, in fresh sieges of the principal cities of Lombardy, full of fierce hatred of the Papal faction, marching from victory to victory, and relentlessly pursuing his object for the humiliation of the "Anti-Christ of Rome," the miseries of combined civil and foreign war became greater than ever, so as to forebode universal ruin. Then, while masses of the poor perished of hunger, disease, and the sword, the rich left their homes, carrying all their valuables with them, taking refuge in countries untouched by the horrors of war. Many went to Flanders; and others, pushing further on, crossed over the Channel into England. It was about the middle of the thirteenth century that the city of London received the first great stream, following in the wake of many preceding smaller ones, of fugitive "Lombards."

London did not receive them with open arms, but quite the contrary. Never fond of aliens, the citizens of the English capital liked the new comers even less than those already settled among them, the kindred Flemings, Danes, Germans, and other Hanseatics and "Easterlings." Only a few of the new immigrants engaged in trades, such as those of goldsmith and jeweller, and the great majority took to make a living by lending out the money they had brought with them on interest. In the language of the times, they became "usurers." This was enough to create general hatred, which increased when it was found that the obnoxious foreigners were rising in high favour at court. Although launching edict after edict against "usury," threatening the severest penalties to all practising it, the monarchs of England, in their private capacity, were neither then nor afterwards at all averse to breaking the law, and when in want of money, which constantly happened, borrowed it wherever it was to be obtained, and at whatever rate of interest the lenders demanded. The rate had to be kept very high, on the average between forty and fifty per cent., by the earliest money-lenders, the Jews—settled in England long before the Conquest, certainly previous to the eighth

century—since these unhappy aliens, despised and persecuted like wild beasts, with no security for either life or property, were driven to seek compensation for enormous risks in enormous gains. Coming in as competitors, the immigrants from Italy, holding an infinitely better position in consequence of their religion, could afford far lower terms of interest than the unfortunate Hebrews, and they did not from the commencement neglect this advantage. Thus, the "usury" business went in great part from the Jews to the Lombards, the kings of England offering themselves as their first if not their best customers.

If the favour of the English monarch was naturally of high importance to the Italian immigrants, almost more so was that of a ruler whom the world at the time considered a higher one, the Pontiff of Rome. The Lombards had no sooner settled in England, when they, or the chief persons among them, became the Pope's agents, engaging in the double business of selling "pardons," with similar Roman ware, and of transmitting to Italy, together with the proceeds of these sales, the large ecclesiastical revenues derived from the manifold contributions and imposts of the clergy and laity submissive to the Church. It was a service resulting in immense pecuniary advantages to the Popes, who showed their gratitude by early taking the financial agents they had found under their powerful protection. Assured of it, the "Pope's Merchants" could afford to brave both popular hatred and the rigour of usury ordinances; and they prospered accordingly, although disturbed now and then by attacks of the mob on their lodgings, and by prosecutions of some too zealous administrators of the law. To guard against the former occurrences, the Lombards solicited King Henry IV. to grant them the high privilege of securing dwellings for themselves, instead, as necessitated by the old alien laws, of living in lodgings assigned to them by the Lord Mayor and aldermen of London. The demand was granted, doubtless in return for a good loan, or bribe, and a writ from the crown ordered

the authorities of the city to lease a piece of ground to the foreigners for the erection of houses in which they might live. To comply with the order, yet under the least disadvantage to themselves, the civic governors of London selected a piece of marsh land, half way between Bishopsgate and the Thames, and handed it over to the unwelcome strangers. A sluggish stream, called the Long Bourne—from which the still existing name of the Ward of Langbourne—rising near the Fen Church, ran right through the middle of the assigned district, and fell westward into another small stream, the South Bourne, so called from running in a southerly direction into the Thames, the two spreading out in rainy seasons over the whole of the adjoining lands. Damp and unhealthy though the ground was, the Lombards eagerly took it, the situation being otherwise good; and there soon arose over the spreading rills of the Long Bourne a double row of fine houses in the Italian style. The row was called by the people, and the spot to this day continues to be called, Lombard Street.

Success crowning most of the doings of the "Pope's Merchants," the earlier Lombards settled in England were soon joined by others anxious to share their good fortune. Many of the latter were of a higher rank than the first-comers, some of them belonging to the proud oligarchic houses swaying the government of the cities and small republics of Italy, and their arrival served to give increased activity to the entire body of aliens. They obtained leaders for trade purposes, as well as in defence of rights and privileges that were gradually being acquired. At an early period the leadership of the Lombards was for a while assumed by the Corsini, a noble family of Florence, busily engaged, like most of the other aristocratic rulers of that city, in trade and commerce. Bringing a certain amount of wealth with them, the family managed to amass vast riches in a comparatively short space of time; and their influence in the end became so paramount as to bring the populace of London to designate the whole of their countrymen as

"Caursinis." With constantly increasing capital, the operations of the Italian money-dealers could not be long confined to London, but flowed over into the provinces and to North Britain. At the end of the thirteenth century, the customs of Newcastle-on-Tyne were farmed out to Bonrici Guidicon of Lucca; in 1312, the customs of Boston were assigned to a merchant of Genoa for a debt due by King Edward II.; and about the same time Alexander III. of Scotland hypothecated the customs of Berwick, in consideration of a loan, to the Spini family of Florence. Attracted to Scotland in this manner, the Lombards engaged there in trade, and built ships at Inverness, discovering it to be a place where the work could be done at half the usual cost, the rivers forming the harbour running through vast forests of excellent fir and oak. Patronised by Alexander III., a number of Italian families, among them the Pallici and the Lambini of Florence, took up either their temporary or permanent abode in the northern kingdom, attempting to carry out great schemes, such as founding new towns as staples, and a great port at the Queensferry, in Fifeshire.

The Lombards felt all the more inclined to get a footing in Scotland, as the often treacherous behaviour of the English monarchs frequently put their property, and even their personal freedom, in jeopardy. Being in urgent want of funds to carry on his great war against France, King Edward III., in 1338, imperatively demanded a large loan from the Lombards within his dominions, and they not raising it quick enough, he ordered the imprisonment of all, except the families of Bardi and Peruzzi, to whom he was under special obligations. This mode of persuasion, though it had its effect no doubt, was so little to the taste of the Italians that many of them left the kingdom either immediately or soon after. Names for a time conspicuous in the roll of the Lombards—the Frescobaldi, the Mozzi, the Pulci, and Rembertini, of Florence; the Ballardi, the Beccori, and the Riccardi, of Lucca; the Ammanati of Pistoia, the Braba-

zoni of Sienna, and others—are found to have disappeared. Still there was no lack of new arrivals to take their places, and no want of tenants for the dwellings in Lombard Street.'

It was inevitable that the occupation of the Lombards should lead them to engage in marine insurance, and this accordingly seems to have taken place at an early period of their settlement in England, though at what precise date is unknown. Probably, like the merchants of the Steelyard, who led the way for them, and for several centuries excelled them, in everything connected with foreign trade and shipping, the Italians, as they made money-lending their principal business, so began marine insurance by advancing sums on Bottomry loans. That they knew, and in all likelihood also embarked in, the practice of modern insurance, by means of premiums, in the course of the fifteenth century, if not earlier, is shown by still existing laws on the subject. The oldest of these laws bearing on marine insurance is contained in an ordinance of the year 1435, issued by the magistrates of Barcelona, a seat of commerce in intimate communication at the period with the trading cities of Northern and Central Italy. The ordinance provides that, "in order to extirpate all manner of frauds that may take place in effecting insurances on ships, great and small, and on goods and merchandise," it shall not be lawful for the future, first, to take out any insurances at Barcelona on vessels owned and freighted by foreigners; secondly, to take out insurances on foreign vessels freighted at Barcelona for more than one-half their value; and, thirdly, to take out insurances on vessels owned and freighted at home for more than three-fourths of their total value. It is further ordered that, "in case of contravention, the insurances made shall not be payable, and the insurers shall not be liable to be sued for payment, but shall at the same time retain the premiums paid for such insurances"—*los preus de tals seguretats*. Some of the other enactments of the Barcelona ordinance are of interest, seeing their age of nearly four centuries and a-half. It is ordered that "to prevent disputes

between the parties, there shall be no priority of time or privilege on the part of the underwriters of the same insurance—asseguradors d'una matena seguretat—even if subscribed on different days; the like obligation and the like contract binding on the first name holds all the others." Further, it is ordered that "to put a check upon the eagerness of many underwriters"—ambiciō de molts asseguradors—who subscribe several policies—segurtetats—on one vessel for the same voyage, it shall not be lawful to do so any longer, unless it be at the desire and express consent of the insured. In case of contravention the insurers "shall return the premiums which they have received to the insured, and shall nevertheless be bound by the terms at first contracted."

The ordinance goes on to enact that "the notaries and other persons" who write out policies of insurance shall be bound to see that they are properly drawn, "clearly and distinctly, without confusing terms;" and that they are signed, in the first instance, by the insured or his representative, "who must declare on oath the particulars of insurance." To prevent the issue of mere wager policies, the underwriters "likewise must declare on oath that the insurances are real and not fictitious;" and for the same reason they are specially forbidden to use the words, "value more or less, or, done or not done"—valeguen mes ó menys, ó haje ó no haje—in the policy. It is moreover enacted that "all those who take out insurances are bound to pay the stipulated premium, completely and absolutely, at the time the contract is signed, observing also that the fact of such payment is entered on the policy; and to have this done the contract shall have no force or value, either for the insured or for the insurers, but from the moment of payment being made and received." Finally, it is ordered that the underwriters shall be obliged to pay for damages, or total loss, not later than four months after the same has been truly asserted, "under penalty of prompt execution, as in the case of letters of exchange," and that "where no

news has been received from an insured vessel, as it happens sometimes that ships go down without leaving a trace of their movements, the insurers must pay for the loss at the end of six months after the date of receipt of the last report." There are a number of other enactments, and it is evident from the careful minuteness with which they are drawn up, and the wisdom they show, particularly as regards the prevention of frauds, that marine insurance must have been at the date of their publication in general use, not only on the Mediterranean, but among most of the seafaring nations of Europe.

The ordinance of the magistrates of Barcelona issued in 1435—the day of its publication, November 21, is known—was followed by others, supplementing it, in 1436, in 1458, and in 1461. All of them are directed to secure the advantages of marine insurances in the highest degree to the mercantile community, and, at the same time, to exclude fraud and deceit from the transactions. The chief aim of the legislators throughout seems to have been to prevent the over-insurance of ships; and clauses upon clauses in all the edicts lay down the strictest rules for both underwriters and their clients neither to grant nor to demand insurance to the full value, but always below it, leaving maritime losses to fall to some degree upon the owners, and thus induce them to do their best to prevent losses. In the same spirit were the insurance laws of the maritime cities of Italy. The oldest known of these is a decree of the Grand Council of Venice, bearing date the 2nd July, 1468. It orders, that all cases of dispute in matters of marine insurance shall for the future be tried before the Consular Mercantile Court—Officio di Consoli di Mercadanti—which is to receive declarations of losses of and damages to ships, the same to be made not later than two months after receipt of the reports, within which time also the underwriters may be compelled to pay the insurers. The preamble of the decree states, quaintly enough, that, "owing to the perversity of human nature—male condition de homine,—men

are apt to quarrel about money matters," and that notably underwriters, "persons who undertake to insure large and small vessels," not unfrequently get into "the pernicious and detestable habit" of disputing insurance claims upon frivolous causes. It was for the purpose of protecting the insured, and to see, at the same time, that no fraudulent claims are made upon insurers, that the Grand Council of the Republic established the "Consular Mercantile Court."

A subsequent decree, issued by the "Pregadi," the Council of the Doge of Venice, gives evidence that a question, debated to this day, deeply concerning marine insurance and the whole shipping interest, was occupying legislators at a very early time. It was the question of deck-loads on ships. "A deplorable practice," says the decree, "has been common for some time past among us: our ships carry on deck so large quantities of merchandise that it may be said they have two and even three upper decks. The result is great danger, not only to the sailors but to the ship's cargoes, which, heaped up to an enormous height, often become greatly damaged." Frequent accidents, the decree goes on to say, are "of public notoriety," especially the sad fate that befell the ship of Luca Gobbo; and to put a stop to them, as far as possible, the "Pregadi" publish this decree: "It is ordered and proclaimed, by authority of the Council, that henceforth no commander of a vessel shall allow the loading of cotton, or of any other merchandise whatever, from the bow to the stern; the whole space must be free, except as regards the usual things required by the sailors. If this law be broken, the commander of the vessel shall pay a fine of two hundred ducats in each case, and shall not be allowed to exercise his functions until the fine has been discharged. Three-fourths of the sum shall go to our arsenal, and one-fourth to the person who denounced the practice, whose name shall be kept strictly secret. In case there is no such person, the whole amount shall go to our arsenal." Other regulations order that the directors of the arsenal shall have power to interrogate on

oath all persons connected with vessels, as well as underwriters, to discover whether or not they carry deck-loads; and, finally, that "all commanders of vessels shall carry out punctually, without further notice, the rules of this decree, which, to become generally known, shall be publicly proclaimed on the steps of San Marco and on the Rialto, and be inscribed on the register of our arsenal."

The neighbourhood of San Marco and the Rialto, centre of the commerce of Venice, was also that of marine insurance, which must have been of considerable importance, to judge from the fact that a lane running off the Campo di San Giacomo was called Insurance Street. To the early connection between Lombard Street on the Thames and the Insurance Street on the Adriatic, certifies a document in the archives of Venice, under date of 1512, referring incidentally to insurances effected in London on ships and merchandise despatched from the Isle of Candia, then a Venetian possession, to England, the premium paid being ten per cent. Evidence of connection between Italy and the Italians in England, more than a century before this date, is in a work called "Treaty on Commerce," written by Uzzano, of Florence, in 1400, where, in several places, there is mention made of insurances effected between London and Florence. The latter city, which subjugated Pisa in 1405, and thereby acquired a large maritime commerce, had a well-digested code of maritime laws. Still, as in many other countries, the eldest of these contain only general directions, and the most ancient statute of Florence does not date further back than 1523.

There are some notable regulations in this statute of Florence. It enacts that every description of underwriting—scritta—must be effected after a prescribed form, "as contained in the general and universal policy at present in use,"—sotto il tenore della sicurtà generale et universale che al presente è usata,—and that if any special clauses have to be entered, it must be done with the consent of five of the insurance commissioners—deputati—appointed by

the city magistrates. These commissioners are, by further enactments, invested with large powers for superintending and controlling all insurance transactions, even to the extent of fixing the rates of premium. "If the said deputies, or their successors for the time being," the statute runs, "should at any period judge it to be for the general interest of the city to fix the premium on every policy that is made,—il prezzo a ciascuna sicurtà che si facesse,—they shall have the right to do so, provided they conform themselves to equitable regulations in the matter." The commissioners are moreover empowered to appoint a broker—sensale—who shall write out all policies of marine insurance; and "such appointment being made, it shall be unlawful to enter into any other insurance contracts but those so written." It is further enacted, that "this broker shall be remunerated for his work and expenses at the usual rate, that is to say, five per cent. on every insured sum of a hundred ducats and more, and four per cent. on sums under a hundred ducats, payable in equal shares by the underwriters and the insured." Of the fees thus raised, the broker must pay over one-third to the insurance commissioners, for which purpose he is ordered to keep an exact account of all receipts. Similar regulations to these made for Florence seem to have been in existence as early as the beginning of the sixteenth century, if not before, in most of the maritime and trading cities of Italy, proving the extensive practice at the time of marine insurance.

Only scattered notices exist of the manner in which the Lombards settled in England carried on their commerce and insured their own and other ships. So much is certain, however, that when the power of the Hanse Towns was on the decline, much of the trade of the latter fell to the Italian cities, and the merchants of Lombard Street thus became the natural successors of the merchants of the Steelyard. Towards the end of the fifteenth century, a considerable part of the foreign trade of England was already in their hands, as appears from an Act of par-

liament of 1483, aiming to curtail their mercantile transactions. It is stated and complained of in the preamble of the act that "merchant strangers of the nation of Italy, as Venetians, Florentines, Apulians, Sicilians, Lucanese, &c., do in great numbers keep houses in London and other cities and burghs, taking warehouses and cellars for the merchandise they import;" that they "deceitfully keep their merchandise till the prices advance;" that they "likewise buy here our native commodities, and sell them again at their pleasure, and do not employ a great part of the money coming thereof upon the commodities of this realm, but make it over to sea to divers other countries;" and that, finally, they "buy, in divers places of this realm, great quantities of wool, woollen cloth, and other merchandise of the king's subjects, part of which they sell again here." To prevent all such crimes and misdeeds, it is ordered that for the future "all Italian merchants who are not denizens shall only sell their merchandise in gross, and not by retail, to the king's subjects, within eight months after their importation and in the ports they arrive at; and within the same time shall lay out the money in English commodities, and in nowise to make over such money by exchange." Statutes and royal edicts of a similar kind were frequently passed afterwards, King Henry VIII., among others, fulminating, in 1531, a decree against the Italians, enjoining the investment of their entire earnings "in the commodities of our realm." The orders were all specially directed against "the strangers of Italy," or "the merchants of Lombard Street."

Lombard Street, as it appeared in its past and actual state, in the latter half of the sixteenth century, is graphically described by John Stow. "Then have ye Lombard Street," says the old city chronicler, "so called of the Longobards and other Merchants, strangers of divers Nations, assembling there twice every Day. Of what Original, or Continuance, I have not need of Record, more than that Edward the Second, in the Twelfth of his Reign,

confirmed a Messuage sometime belonging to Robert Turke, abutting on Lombard Street toward the South, and toward Cornhil on the North, for the Merchants of Florence, which proveth that Street to have had the name of Lombard Street before the Reign of Edward the Second. As the Merchants formerly met here for Traffick, so the Pope's Merchants also chaffered here for their Commodities, and had good Markets for their Wafer Cakes, sanctified at Rome, their Pardons, &c. For so I read in a Book printed An. 1545. 'This fine Flower have they made the chiefest of al their Irish Trash. I pray thee, Gentle Reader, were not his "Pardoners" Merchants to them? Yea, it is wel known, that their Pardons, and other of their Trumpery, hath been bought and sold in Lombard Street, and other places, as thou wilt buy and sell a Horse in Smithfield.'" Stow goes on to tell his readers that "before the building of the Exchange it was by divers Common Councils, about the 26th Year of King Henry VIII., consulted upon whether there should be a Burse, or convenient Place of meeting for Merchants, to treat of their Feat of Merchandise. The same Year the King sent his Letters to the City for the making of a new Burse at Leaden Hall. Whereupon it being put to Hands whether the new Burse should be removed out of Lombard Street, it was agreed that it should not. So that the Merchants Meeting continued there till the Royal Exchange was builded, that is until the 22nd of December in the year 1568, on which Day the said Merchants began to make their Meetings at the Burse, a Place then new builded for that purpose, in the Ward of Cornhil, and was since by Her Majesty Queen Elizabeth named the Royal Exchange. So that here anciently the Lombards or Bankers dwelt, and so they did to the Days of Queen Elizabeth."

The reign of Queen Elizabeth, indeed, as it brought to an end the existence of the merchants of the Steelyard, so it finished the activity of the Italians of Lombard Street. England's foreign trade from this time fell into the hands

of Englishmen, and Hanseatics and Lombards went away together, their historical task, to connect the British Islands with the Continent and the rest of the world through the fast-binding fibres of commercial intercourse, having been accomplished. Though not actually expelled from the country, like the merchants of the Steelyard, the traders and money-dealers of Lombard Street seem to have left England about the same time, not in a mass, but in small groups, some going to Flanders and France, and the greater number back to their Italian homes. Scarcely any of the names of the old "Caursinis," familiar to the people of London for many generations, are to be found on record in the city annals in the latter half of the seventeenth century. The Bardis, Ammanatis, Frescobaldis, Riccardis, and Rembertinis, figuring to this day in the merchants' lists of Florence, Milan and Venice, quitted England never to return, leaving no successors of their own behind them.

But the Italian merchants left something better than their names, in the foundation of a most important branch of finance and commerce. While the Hanseatics were the first to practise marine insurance in this country, the Lombards were the first to bring it into general use, and to make it acceptable to the trading community at large, by the introduction of proper rules and regulations, elaborated by the shrewd merchant-legislators of Florence and Pisa, Barcelona and Venice. More or less unsettled, crude, and tentative in its previous condition, the practice of marine insurance was placed by the Italians on the firm basis of legal enactments and international regulations, and as such came to be adopted in England. The adoption left its broad traces in names and designations. The word insurance, or as formerly called, assurance, is of Italian origin, and so also is the word policy, derived from "polizza," a promise. And every policy of insurance issued to this day in Great Britain, and British colonies all over the world, points back directly to the men who drew up the original form. Up to recent times, all policies began with

the words, "In the name of God, Amen!" imitating the customary old Italian commencement, "Dio la salvi, Amen!" The pious phrase is no more known to the underwriters of the present day; still every policy issued from the great hall on the first floor of the Royal Exchange, centre of England's and the world's marine insurance, finishes still with a sentence in use for upwards of three centuries: "And it is agreed by us the insurers that this writing or policy of assurance shall be of as much force and effect as the surest writing or policy of assurance made in Lombard Street." The Lombards are gone, but Lombard Street still lives at Lloyd's.

CHAPTER III.

EARLY ENGLISH MARINE INSURANCE.

THE commencement of the seventeenth century formed the starting point of a new period in the history of marine insurance in Great Britain. During the first period, dating back to the beginnings of foreign commerce and ending with the sixteenth century, marine insurance was carried on chiefly, if not entirely, by aliens, Germans, Flemings, and Italians; while during the second and subsequent period it fell into the lap of native enterprise. A distinct and very notable boundary mark and line of division between the two periods was formed by the Act of the forty-third of Elizabeth, passed in 1601. Although, as before stated, the oldest law in the English statute-book bearing upon marine insurance, its preamble proclaimed, in a rather striking manner, the fact of marine insurance having been "tyme out of mynde an usage amongste merchantes, both of this realme and of forraine nacyons."

There can be little doubt that the reason why marine insurance, so long in existence, did not occupy the attention of English legislators at an earlier date, was its foreign origin and growth. The alien traders who introduced its practice into England, Steelyard merchants and Lombards in succession, naturally followed, in the exercise of this branch

of their business as in all the rest, the rules and regulations of their own countries, and there was the less need of their seeking others, as the codes of maritime laws they possessed were very complete as well as compact, being the result of great experience and much practical sagacity. Even now, after the lapse of centuries, the "Hogeste Water Recht" of Wisby, the "Rooles d'Oléron," the "Consulato del Mare," and the maritime ordinances and decrees of Barcelona, Florence, Pisa, and Venice, must be looked upon as monuments of legislative wisdom. To this day, England, greatest of maritime nations that ever was, cannot boast of a code of sea-laws such as the Hanseatic traders possessed in the thirteenth or fourteenth, and the Italian cities in the sixteenth century.

The statute of Elizabeth, establishing a court "for the hearinge and determynynge of causes arisinge from pollicies of assurance," although inaugurating a new era in British marine insurance, proved of very little importance as a measure of law. As far as can be ascertained, the new court found no favour whatever with the mercantile community and those for whose benefit it was established, and after existing, nominally, for a generation or two, fell into complete disuse. The cause of it, probably, lay in its faulty constitution, the design evidently aiming to combine legal acumen with practical knowledge, and the manner in which it was carried out failing to secure either. It was enacted by the statute that the court should consist of fourteen commissioners, six of them professional lawyers, namely, "the Judge of the Admiraltie for the time beinge, the Recorder of London for the time beinge, two Doctors of the Civil Lawe, and two common Lawyers," and that the other eight commissioners should be "grave and discrete merchantes." A court so numerous, and formed of elements so diverse, was clearly not the fittest for trying cases involving not unfrequently the nicest questions both of common law and equity; and its fitness for the purpose was not enhanced by rare meetings, the statute only requiring the

members of the court to sit once every week. The additional provision "that if any persone shall be grieved by sentence or decree of the saide Commissioners, that suche person so grieved may, at any tyme within two monthes of the saide decree soo made, exhibit his bill into the high Courte of Chancerie for the re-examinacion of such decree," seemed only made to add terribly to the already existing burthen of slow procedure, under which the quick disposal of cases became all but an impossibility as long as any of the parties engaged felt in the least interested in protracting the litigation. There was a too-striking contrast between the whole of this Elizabethan insurance legislation and that of the Italian cities, followed, in all probability, in regard to the earlier "policies of assurance made in Lombard Street," to lead to its willing adoption, and the statute of 1601 therefore bore no fruit. It was indispensable that for a long time to come the rules and regulations of English marine insurance should continue to bear the impress of its foreign origin.

At the time the statute of Elizabeth was passed, the business of marine insurance centered, it appears, to a great extent, at a place described in the act as "Office of Assurances," but more generally known in England and abroad as "Chamber of Assurance." It is clear from the act mentioning "Pollicies as assurances suche as now are or hereafter shall be entered within the Office of Assurances within the citie of London," that there was a registry of marine insurance policies, carried on by, or in connection with, the chamber, which in this as in other respects seems to have been moulded after the form of similar institutions on the continent, where they existed as early as the commencement of the fourteenth century, mention being made, as previously stated, of a chamber of insurance at Bruges in 1310. At what date the "Office of Assurances", mentioned in the act of 1601, was established is not known; but it was probably not more than about a quarter of a century previous, at which time an institution of a similar kind, if not

the same, is mentioned for the first time in the annals of the city of London. Stow, who on this occasion gives a number of interesting facts relating to marine insurance, puts it on record in his "Survey," that in the year 1574 all the members of the company of Notaries, sixteen in number, chief among them Humfrey Brook and George Keval, "made a complaint to the Lord Maior against one Richard Candler, who had got a Patent under the Broad Seal that none but he and his Deputies should make and register Insurances, and Policies, and other Instruments belonging to Merchants."

The ground on which Humfrey Brook and his fellow members complained, was that the patent "would be the impoverishing, overthrow, and utter decay of all the Notaries Publick of the City, with their Children, Servants, Apprentices, and Families, to the number of 120 Persons and above, who live upon the making of Policies, Intimations, Renunciations, and other Writings granted unto the said Candler." The notaries further "shewed the Lord Maior that they were Freemen of the City, and examined and admitted, and allowed to their Function by the Archbishop of Canterbury and his Antecessors, by force of an Act of Parliament Anno 25 Hen. VIII. and confirmed by Act of Parliament, 1 Eliz.; that they were brought up, from their Infancies, all or the most part, as Apprentices, and sithence poor Housholders, having no other Trade to live by but only by making of such Writings." The notaries, says Stow, "added that they were lawfully admitted to their Function; that it was a Function that Time out of mind was lawfully used, and reputed as expedient and necessary within this Realm, like as in all other Regions of Christendom, into which Regions the Suppliants had made divers and sundry Instruments of great Weight, whereunto good Credit was and has been granted; that if this Grant should take place, it would also be a great prejudice to the Notaries' Servants succeeding them, who in the End of their Terms be forced to seek new Trades of Living: in fine they prayed the

Lord Maior and Aldermen to be a means to the Queen and her Privy Council that this Patent might be called in, so that the Faculty of Notaries might still be exercised."

The company of notaries, Stow goes on to relate, were joined in their remonstrance and petition against Candler's patents by the company of brokers. The business of the latter is described as follows by the graphic old city chronicler:—"Brokers are such as are Assistants to the Merchants in buying and selling and in their contracts; concerned also in the Writing of Insurances and Policies and such like. And therefore formerly they had their Dwellings near the Exchange, and were Freemen of the City. And so much depending upon their Truth and Honesty, they were sworn, and bound with Sureties in divers and sundry great Sums of Money, for their honest and true Dealings in their Faculty. About the year 1574, there were thirty of them in number, and no more." Stow next explains that the brokers were "like utterly to be undone, as the Notaries also were, and upon the same Cause, viz. by a Patent obtained by Candler that none but he and his Deputies should make and register Policies and Instruments of Assurance, which Time out of mind were done by the Notaries Publick and by the sworn Brokers of the City." Besides the usual ground of petition that the new arrangement "would be their utter undoing," the brokers put in the further plea "that it would also be an Infringement upon the Liberty of every good Citizen, who before might make his Writing and Assurances himself, and use neither Broker nor Notary, except he pleased himself."

The brokers, Stow continues, "shewed likewise the Discommodities and Dangers of this Patent to the Merchants: that the Merchants had good choice of Notaries and Brokers, who upon a sudden might be ready and diligent to serve their Turns, as well in making their Policies, as in procuring Subscriptions of the same, as also in making Intimations, and other Writings incident thereunto, by which speedy Dispatch divers Losses and Incon-

veniences, which otherwise might happen, were prevented. That if all this serving Merchants Occasions should be committed to one peculiar Person, it were not possible but great Discommodities and Losses would happen to many for lack of Dispatch. That the Merchants found great Commodity and Surety by dealing with Notaries and Brokers, known to be skilful, secret, careful, and diligent in using and doing their Offices with Expedition. That it would be a great Bondage to Merchants to be tied to one particular Person, who might either for Favour or Reward dispatch one Man, and for Displeasure or Ill-Will delay another. That Merchants who intended some secret and yet lawful Voyage, would be glad to pass their Writings privately by such Notaries and Brokers, as they knew would be secret to them in that Behalf, of which Convenience they must utterly be deprived if they should be forced to come to a Publick Officer to pass the same." Finally, says Stow, the petitioners argued "that the Credit and Fidelity of the Broker is occasion to divers Assurances which otherwise would not be made." There is much in these statements that throws light on the general condition and gradual progress of early English marine insurance.

The remonstrance of the notaries and brokers of London did not prevent the establishment of the Insurance Office for which a patent had been granted to Richard Candler; still it somewhat delayed the undertaking, and in the interval, gave rise to an official inquiry of much interest. While refusing to withdraw a privilege given under the great seal, Queen Elizabeth's government yet deemed it expedient to conciliate, as far as possible, the petitioners against the grant, and the result was an order for the appointment of several commissioners to report upon the best mode of executing Candler's patent, so as not to hurt the interests of the citizens of London. To do this the more effectually, the nomination of the commissioners was left to the Lord Mayor; and thus superintended they were not long in submitting to her Majesty's council a proposal for confining

the Insurance Office within certain bounds, by imposing on it a narrowly limited scale of fees. This gave rise to a correspondence, still preserved among the State Papers, between the government and Richard Candler. The latter had given to him a copy of a document called "Bill of ffees sett downe by certen Aldermen and Cittezens of London apoynted by Sir Ambrose Nicholas Knight, Lord Maior of London towching his office for the Making and Regestringe of Assewrances & in the names of the Commissioners apointed for the rasing of the Regestringe of Assewrances by here Majesty's Letters pattentes under the Great Seale of Ingland," and the reply to this is found in a paper headed "Answer to the Bill of rattes delivered by my Lord Maior to Mr. Secretorie Walsingham the 23 Maye 1576." This answer, very interesting in itself, as bearing upon early marine insurance, is made more so by a number of marginal notes appended to it, due, probably, to "Mr. Secretorie Walsingham." The following is the text of the "Answer," with the marginal notes appended to each of the three paragraphs.

"First," begins the opening paragraph of the paper of Richard Candeler, or Candler, "where they wolde allow him for the entring and regestring of every pollecy of assewraunce 1*s d.*, and for everry 100 li. [livres] subscribid in everry souch pollecy, being 100 li. and upwarde 12 *d.*, and if the assewrance be lesse than 100 livres then he to have for the regestring of the pollecy and souch assewraunce 2*s.* To this he answereth, that althoughe ther is 5*s.* uppon the hundreth allowid at Andwarpe for licke regestringe approvid by Certifficat yet nevertheless, yf all the saide Comissioners do agree upon the said Ratte, either more or less, the saide Richard Candeler must and will hold himselfe contented therwith, being orderly done according to her Majesty's said Commission." There is a marginal note here, running "An unreasonable difference between 5*s.* per cente and 12*d.* per cente."

"Item," says the second paragraph, "wher the saide parties

in the names of the saide Comissioners woolde further allowe to the saide Richard Candeler for certifficattes 5*s.*, for coppies of pollecyes if enny be required 2*s.* 6*d.*, for searches 6*d.* To this he answereth that the seid Comissioners have nonne awethoritie nor warraunt to rate anny soche thinges, neither are they of enny valew to be accomptid off, but thrust in to make some shew of lying, and therby slyly to convey from the said Richard Candeler the greatest partte of his office, that is to saye the making of all pollycies and intimations to him grauntid in the saide letters pattentes by speciall wordes. As the same doth well apeare, as well by the Covenauntes that they wold bynd the said R. Candeler to, as also by ther bill of rattes, wherin they saye that the said R. Candeler shall have 12*d.* for the making of evvery pollecy that shal be brought to him to be made; and that it shal be lawfull to the said R. Candeler to make intimations as other notoris maye, and noe otherwize." Three marginal notes are appended to this paragraph, the first a curt "Deceiptfull shewes;" the second, "Comissioners ought not to excead their comission;" and the third, "An evill bargayne to exchange something for nothing, or thinges certen for uncerteyne thinges." The latter sentence would be, if really coming from him, not a little characteristic of "Mr. Secretorie Walsingham."

The third paragraph of Richard Candeler's "Answer" is short, while the marginal note at the side is longer than any of the preceding ones. "Further he saith," the paper goes on, "that yf evvery man maye make pollicies that will, the case will be souche that the saide Richard Candeler shal not have the regestringe of the tenthe pollecy of assewraunce that shal be made, for that he shall not knowe on whom to complayne for not regestring their assewraunces. And so his saide office shal not be able to cowntervaille his charges." To this paragraph there is appended the following marginal note: "So longe as every man maye make his owen pollecy the deceipt in Assewraunces will nevir be redressed, whiche is the greatest cause of the erection of the

saide Office, apereth by the letters pattentes." There is some uncertainty as to whether the opponents of Richard Candler were successful or not in their proceedings against him. The probability is that some sort of compromise was arrived at, under which the holder of the Queen's patent preserved intact his privilege of "making and registering insurances and policies," charging fees not quite so high as originally intended, yet not quite so low as proposed by the city commission. From his mentioning Antwerp, it would appear that Richard Candler had gathered his experience regarding marine insurance on the continent, from the Hanseatics and Flemings, among whom the practice had been reduced to strict legal forms at the time he obtained his patent; and it seems highly probable that continental customs and regulations came to be the basis of the "Office of Assurances" referred to in the Act of Queen Elizabeth.

A very clear and minute record of the forms under which marine insurance was practised on the continent at the commencement of the seventeenth century, and which, being the result of long practical experience, could not fail of being imitated in England, is given in a French work of great authority, known as the "Guidon de la Mer." There is much uncertainty, as in almost all matters relating to the history of insurance, so as to the date of production and authorship of the "Guidon." The most careful researches, made by Pardessus and other writers on the subject, fix the time of publication between 1590 and 1600, and make the city of Rouen the place of issue; but the oldest existing copy of the work bears date 1607, with internal evidence, however, that it was not the first edition of the work. As to the author of the "Guidon," nothing whatever is known. There are many grounds for the supposition that the book, famous for a long time as both the oldest and the most complete code of marine insurance, did not proceed from a single man, but from the joint labour of a number of persons thoroughly acquainted with the subject—not improbably

underwriters associated in a sort of Lloyd's organisation, who attempted the work of codification for their own as well as the public benefit.

The "Guidon de la Mer" commences with a definition of marine insurance, stating that it is "a contract between two parties under which indemnity is promised for losses occurring in transport of goods by sea, the one party, the insured, engaging to pay a certain sum, stipulated at per cent., and the other party, the insurers, engaging to be responsible for the indemnity." Next, in the second paragraph of the first chapter, the "Guidon" goes on to describe the form of contract. "All insurances," say the authors, "are made in writing, and each document is commonly called a policy of insurance. Formerly, the contract was often not in writing, in which case it was called a confidence bargain, inasmuch as the insured had to trust solely to the honesty and good faith of the insurers for the payment of the indemnity. At present, insurance is practised entirely by means of written policies, and confidence bargains are prohibited everywhere, on account of their giving rise to disputes, as well as because it is for the benefit of the mercantile community at large that insurances should be generally known. It is furthermore required by law that all policies of insurance must be enrolled as public acts before a registrar—greffier—appointed for the purpose, and without such registration they are null and void. Ordinary notaries must not draw up insurance policies and pass them, as they do private contracts and bargains of other nature." The enactment here mentioned, the registration of policies, points to an important feature in foreign marine insurance, for the transplanting of which into England long and strenuous efforts were made.

The mode of registration of policies is very clearly described in the twentieth chapter of the "Guidon de la Mer," which bears the heading "On the duties of the Registrar of policies." The registrar, we are told on the outset, "must be a person of good reputation and well acquainted with

all the particulars of insurance ; and he must also understand bookkeeping, so as to be able to carefully enter and keep a correct list of all the policies made before him." Furthermore, "he must have his place of business on the most frequented public spot, putting over the door the inscription, 'Office of Insurances,' and he must be at such place, himself or his clerk, all day long, from morning to evening, so that those who have insurance policies to register need not be under the trouble of seeking him elsewhere." From the next paragraph it appears that the "greffier," or registrar, had more to do, if required, than merely entering the policies brought to him for registration. He "must make oath every year not to favour any persons that come to him more than others, taking no bribes of any kind, under pain of fine and dismissal ;" and "if policies are entrusted to him for completion, he must carry them around, in specified order, to all underwriters, so as to give a chance to every one, great or little, to participate in either profits or losses that may occur." It is explained, in the next paragraph, that notwithstanding the limitation put upon the registrar not to favour any particular underwriters, all who wish to insure their vessels or merchandize are at complete liberty to take policies, "or send them by their servants" to whomsoever they like, "provided only that, when complete and not before, the policies are entered for registration, specifying carefully the sums put down by each insurer, and the dates to it, so that the closing of the contract is clearly shown as well on the register as at the bottom of the policy in the manner customary at all places."

The remuneration of the registrar, payable by the insured parties, is fixed in another paragraph, with more particulars :—"He, the greffier, it is ordered, shall have for his labour and trouble in getting the policies signed, and registering them, the half of a quarter per cent., which amounts to five sols. for every hundred livres assured. He shall be bound at the same time to keep in his office a box for the poor, into which those who obtain the policies

shall put, over and above the half of a quarter per cent. payable to him, the amount of six deniers for every thousand of livres assured. Of this sum, one moiety shall go towards the maintenance of the poor of the town, and the other half towards the fund for assisting shipwrecked mariners. Moreover, the greffier shall place a second box outside the door of his office, into which all who desire to do so may place their offerings, and which shall receive also the denari of God given by the merchants." The denari here mentioned, "God's pence," were destined chiefly to free from slavery seamen and others captured by the Mediterranean pirates. A special form of insurance, dwelt on at length in the "Guidon de la Mer," and which seems to have been in use since the time of the Crusades, enabled all persons to take out policies on their own lives or those of their friends, under which the insurers had to pay a sum sufficient for ransom in case of their being taken by pirates. Numbers so insured their lives, and recovered their freedom by a regular system of agencies; while to those not insured there came no other assistance but that of "God's pence."

There are numerous remarks in the "Guidon de la Mer," proving that at the time it appeared, the end of the seventeenth century, marine insurance was in general practice on the continent of Europe, as well as in England. The references to England are frequent. "In time of peace," it is said in the second chapter, "insurances are made on vessels and merchandize belonging to the French, the Spaniards, the Flemings, the English, and other nations." In the third chapter, the terms are fixed within which different policies may be effected on the same ship and cargo. Five months are set down as the limits of insurances for "Flanders, England, Portugal, Norway, and Muscovy," and twelve months for insurances for "the coasts of Italy, the Azores, Peru, Brazil, and the Indies." The notification of losses at the Insurance Office of Rouen must take place, according to the last paragraph of the sixth chapter,

"within three months on voyages to the Flemish countries, England, Bordeaux, Lower Normandy, and Brittany; within six months on voyages to Spain, Portugal, Barbary, Muscovy, Norway, and similar places; and within a year on voyages to Brazil, Guinea, and other distant countries." It is added that "after the lapse of the periods here specified no claim can be admitted, whatever may be the excuse for the delay."

That assurances were frequently made in England and paid abroad, and *vice versa*, appears from the fourteenth chapter of the "Guidon de la Mer." It treats of "the reduction of payments from one country to another," and specifies the value of the coins of different nations, which is reduced to a fixed scale. "One Gros Livre of Flanders," the specification runs, "is equal to seven Livres four Sols of France; one Livre Sterling of England is equal to nine Livres of France," and so forth. While fixing their scale, the authors of the "Guidon de la Mer" admit that such scale cannot be of use and endure for any length of time, and they therefore propose the settling of the variations by international arrangements. "Some merchants," it is said, "convert their values at the rate of exchange adopted at the last fair of the place where the policy for ship and cargo were taken out, admitting neither rise nor fall within the time, and others again insert in their policies and charter parties the value under several denominations, such as Ducats, Reals, Gros Livres, and Livres Sterling. To prevent confusion and disputes, it would be advisable that there should be annually a general meeting of merchants who are well informed about matters relating to exchanges and foreign treaties, and who know the value of all monies, that they might reduce the same to a uniform standard, this to endure for the space of one year." Whether practicable or not, it does not seem that this proposal was ever carried into execution.

The intimate connection between foreign marine insurance and its early growth in England—as a purely

English institution, and not one practised by foreigners residing, temporarily or for a longer term, in the country—is strikingly shown in the form of policies. In the "Guidon de la Mer," one such form is given, and it corresponds exactly with that adopted in England as early as the beginning of the seventeenth century. "In nomine Domini, Amen," stands at the head of the French, as, in translation, of the English policy, and the only notable difference between the two forms is the addition in the latter of some legal phraseology, necessitated, probably, by decisions in courts of law and rules laid down by the judges, as well as the existence of the curious phrase, already mentioned, referring to Lombard Street. The earliest English policy of marine insurance which we have been able to discover bears date 1613, and though not a document issued actually by underwriters, but, to all appearance, a copy made for legal purposes, with some lawyer's notes attached, may be found historically interesting. The discovery was—with others subsequently to be referred to—the result of long and laborious researches among the, as yet only partly known, literary treasures of the Bodleian Library at Oxford. The original is among the Tanner manuscripts, numbered 74, fo. 32, and the manuscript is endorsed "Mr. Morris Abbot's pollesye of Assurance dated the 15 of ffebruary 1613. 11. Jacobi."

"In the name of God Amen: Be it knowne vnto all men by these presents That Morris Abbot & Devereux Wogan of London marchants doe make assurance & cause themselues & euerye of them to be assured lost or not lost from London to Zante Petrasse & Saphalonia or any of them vpon woollen & lynnen cloth leade kersies Iron & any other goods & merchandize heretofore laden aboarde the good Shipp called the Tiger of London of the burthen of 200 tonns or thereabouts wherof is master vnder god in this presente voyadge Thomas Crowder, or whosoever ells shall goe for master in the said shipp or by whatsoeuer other name or names the said shipp or the master therof

is or shal be named or called. And it shall & may be lawfull for the said shipp to touch & stay at any ports & places on this side Zante as well on the Barbary as the Christian shoare, & ther discharge relade & take in any goods merchandize & mony at the discretion of the master & ffactors vppon the adventure of the Assurers without preiudize to this assurance. And if in case any part of the said goods shalbe discharged out of the said ship at any port or places before mentioned the assurers shall take noe bennefitt or aduantadg therby in case of losse or auradge vppon the rest of the said goods. But the assurers shall still beare their whole adventures if ther be soe much goods remayninge aboarde y^e^ saide shippe as shalbe assured y^e^ assureds aduenture of 10 per C^o^ deducted in as full and ample manner, as if noe parte of y^e^ saide goods had beene discharged out of y^e^ saide shippe before hir cominge to hir last porte of discharge any order custome or vsadge or any thing in this pollacie mentioned to the contrary notwithstandinge. Beginning the Aduenture from the day & howre of the ladinge of the said cloth lead kersies Iron &c. aboard the same shipp at London aforesaid, & soe shall continowe & endure vntill such tyme as the same shipp with the same cloth lead kersies Iron &c. shalbe arived at Zante Petrasse & Saphalonia or any of them aforesaid and the same ther discharged & laide on land in good safety. Touching the Adventures & perills which wee the assurers hereafter named are contented to beare, & doe faithfully promisse by these presents to take vppon vs in this presente voyadge are of the Seas men of warr, fyer, enemyes pirratts rouers theeues, jettezons, letters of marte, & countermarte arests restraints, & deteynments of kings & princes and all other persons barrtary of the master & mariners, & of all other perills losses & misfortunes whatsoeuer they be or howsoever the same at any tyme before the date hereof hath chaunced or heereafter shall happen or come to the hurte detryment or damadge of the said cloth lead kersies Iron &c. or any parte or parcell therof

Allthough newes or knowledge of any losse haue already come or by the computacion of one league or three English myles to one hower might haue come to London before the subscribinge hereof, any order custome or vsadge heretofore had or made in Lumbard Street or nowe within the Royall Exchange in London to the contrary notwithstandinge. And that in case of any misfortune it shall & may be lawfull to the assureds ther factors servants & assignes or any of them to sue labor & travile for in and aboute the defence safegard & recouerie of the said Cloth Lead Kearsies Iron &c. or any parte or parcell therof without any preiudice to this assurance. To the charges wherof we the assurers shall contribute each one accordinge to the rate & quantity of his Some herein assured. Yt is to be vnderstood that this protewritinge & assurance beinge made and registred accordinge to the Kings Majesties orders & appoyntments shalbe of as much force strength and effect as the best & most suerest pollacie or writinge of assurance which hath binne euer heretofore vsed to be made lost or not lost in the aforesaid streete or Royall Exchange. And soe wee the assurers are contented & doe promise and binde ourselues & euerye of vs our heyres executors & goods by these presents to the assured the executors administrators & assignes for the true performance of the premisses, confessing ourselues fully satisfied contented & paide of & for the consideracion due to vs for this assurance by these presents at the hands of the said Morris Abbott & Devereux Wogan after the rate of fower pounds per C°. And in Testimonye of the trueth wee the Assurers haue hereunto seuerally subscribed our names & somes of moneye assured yeouen in the office of assurance within the Royall Exchange in London the ffyfteenth day of Ffebruary an°. 1613."

It seems probable that the policy here given formed the ground of an action in the Insurance Court created by the statute of Elizabeth, and which functioned, though with very little show of life, till towards the end of the seventeenth

century. Appended to the policy, in the Tanner manuscript, are some short notes, in the form of questions, evidently from a lawyer, as follows:—"From these wordes of ye pollacie, 'And it shall and may be lawful for the Shipp to touch and stay at any portes and places on this side Zante as well on the Barbarie as Christian shoare, and ther discharg reloade and take in, any goods merchandize and money at the discretion of the Master and ffactors uppon the aventure of the assurers without preiudice to this assurance'; the Question is 1. Whether it be lawful or noe for the said Shipp to touch twise at one porte in this present voyadge within the scope lymitted if the master and ffactors doe think it so fit. And 2, though there were noe express Covenant that had relacon to the ffactors discretion yet in case the shipp (hauing discharged hir goods) should in the interime of tyme while monyes were providinge goe 24 howres saylinge thence & retourne in salfety without losse of tyme or preiudize proued (noe more then if the shipp had stayed soe longe together in porte) whether the assurance ought in conscience to be made voyde or noe."

Very little is known as to the extent of activity of the Court of Insurance established in 1601, but it appears certain that it did very little work. It was unfavourably looked upon both by the mercantile community and the courts of common law, and though its unpractical constitution, already dwelt upon, was considerably modified by an act passed in the reign of Charles II.—13 & 14 Car. 2, cap. 23—which, among other changes, reduced the number of members requisite to form a quorum, but very few actions appear to have been brought before it. The ill-feeling, almost amounting to hostility, of the common law courts against the Elizabethan institution was somewhat remarkable. It is reported that in three several instances, during the reign of Charles II., the Court of King's Bench placed itself in direct antagonism to the Court of Insurance. In the first place, the common law judges decided that the statute of Elizabeth "only meant

to give the court below cognizance of such contracts as related to merchandize ;" and in the second case the same judges were of opinion that the jurisdiction of the Court of Insurance "did not extend to suits brought by the assurer against the assured, but only to such as were prosecuted by the latter against the former." In a third case, which, says the learned author of the "System of the Law of Marine Insurances," just cited, "seems to have struck a more severe blow at the existence of this court than any mentioned, the judges held "that it was no bar to an action upon a policy of insurance at the common law, to say that the plaintiff had sued the defendant for the same cause in the court erected by the statute of Elizabeth." "These causes co-operating, together probably with some instances of partiality in the judges," the author, writing in 1786, goes on to say, "this court fell into disuse, no commission having issued for many years; but insurance causes are now decided like all questions of property, and by that mode of trial most agreeable to the nature of our constitution, by a trial in a court of common law."

Attached to the here-cited report on the failure of the Elizabethan Court of Insurance, are a few interesting reflections. "It has been much the fashion of late years," says the able lawyer of the last century, whose work on Marine Insurance is still looked upon as a standard book, "to insist upon the advantages which the trading part of the nation would derive from the establishment of some equitable and amicable judicatory for the trial of all disputed points in matters of insurance. This is only another proof of the weakness and fallibility of the human mind, which is never satisfied with the enjoyments within its reach, however excellent they may be, but pants after those of foreign growth. Thus a people who are possessed of a species of trial the best calculated for the discovery of truth, and the advancement of justice, and which has excited the admiration of the world, are desirous of parting with such an advantage for a mode of trial which is very unsatisfactory. The court

erected by the statute of Elizabeth, and which has now fallen into disuse, is perhaps one of the strongest arguments that can be adduced to prove that such a judicature is not congenial to the spirit and disposition of Britons, nor well adapted for the purposes of its institution. It is universally agreed by all writers upon jurisprudence that nothing tends so much to the elucidation of truth, and the detection of fraud, as the open vivâ voce examination of witnesses, in the presence of all mankind, before judges who, from their knowledge of books and men, acquired by long study and experience, are well qualified to discriminate and decide between right and wrong, and before twelve upright citizens, who have an opportunity of observing the appearance, countenance, inclination, and deportment of those who are thus examined upon oath. Besides the subjects of those states which have established these equitable tribunals, sensible of the superior advantage of the English institution, feeling that in great mercantile questions the utmost attention is paid to the eternal and immutable principles of reason, and that all men, whether natives or foreigners, here meet with an equal measure in the administration of justice, fly to this country to make their contracts of insurance, that in case of dispute they may have the benefit of its laws."

CHAPTER IV.

THE FOUNDER OF LLOYD'S.

IT does not appear that there was any concentration of the underwriting interest, in fixed localities of the City, previous to the Great Fire of 1666. The business, as far as can be ascertained, was carried on mainly by bankers, money-lenders, and others, who pursued their own avocations besides, at their private offices. They "underwrote" their names for a certain sum to a risk, or "took a line," prepared either to gain or lose comparatively small sums, an opportunity the more desirable on account of other investments being scarce. A curious document preserved among the Rawlinsonian manuscripts in the Bodleian Library of the University of Oxford throws some light on the dispersion of the underwriters over London about the middle of the seventeenth century, as well as the amount of their risks and their premiums. The document, perhaps representing the accounts of some insurance broker—though there is no name or any mark to show the origin—runs textually as follows:—

Bartholme Laine. frō Newfoundland.	"16th October, 1654 Tho. Griffeth from Newfoundland to Naples in the Naples merchant C^{li}. at 4 per C.	4 00 00

	13 Aperell 1655 fd Rob^{t}. Bruham from Virgene to Lond. in the Rahumuco or Rainbo C^{li}.	4	00	00
28 June.	Allexander Howthe 28 June 1654 fd Charles Rich from Barbados to Venes in the Jn^{o}. & Mary C^{li}. at 5 per C.	5	00	00
	Mathew Hallworthey 12th October 1655 from Yermoth to Marcelles in the John I^{li}. at X per C.	5	00	00
	Nicholas Blake			
Chroched friers.	Jn^{o}. Clarke from Careckuerges to Rochell in the Sarra C^{li}. at 4 per C the 8th Nov. 1654	4	00	00
	Peeter Mackerell.			
	Adam Edwards.	16	00	—
in Mark lain.	Roger Hatton in the Napls merchant from Napls to Lond. the 24th Feb. 1654 C^{li}.	5	00	00
pro Mark lane.	to him in the Sarra from Haul to Lond C^{li}.	5	00	—
721.	N^{ch}. Stubart in the Smurna merchante the 3 Maye 1654 from Smer. to Lond. C^{li}. . .	5	00	—
	to him detto the same voyage in the Lewes C^{li}. at 5 per C.	5	00	—
	Edward Royden in the Smihell 3^{li}. Richard Bas or Rob^{t}. Bas from the Canaris. to Lond. in the Samuell the 14 Dec. 1655 C.	4	00	—
	Jn^{o}. Molle.			
St. Hellens.	Dominego Vass & de breto the 9 Maye 1655 from Lond. to the Barbados in the Jn^{o}. C^{li}. at 3½.	3	10	—

	Samuell Willson & Jn°. Torner from Lond. to the Canaris in the two frinds 13 June 1655	3	00	—
	N^ch^. Prickmann, fd 2 parcells X^li^.			
	Rob^t^. Torner 2^li^. 5^s^.			
	Rob^t^. Collenes in the William from Bordox the 28 July, 1655	4	00	—
old fish strete.	Edward Astin pretends an undredg.	5	00	—
	Richard Lane in yonge prince	2	10	—
Thridnedel stret.	Abraham Candeler in the India merchant	3	15	—
	George Fisher at Roane in the defence	10	00	—
	Tho. Waren	11	10	—
	Jn°. Limbre in the recovery .	09	00	—
	Lenenthorpe fd Johnson . .	05	00	—
	Jn°. Chaces fd Goodthuer . .	05	00	—
	Phillip Allen	03	10	—
	Tho. Bridges in traid	15	00	—
	Edward Gardiner from riuera to Lond the 2 June 1655 in the	8	00	—
	Augustin Coronell the littell Jue in the yonge Tobias the 6^th^ June 1655 from Lond. to Lixbo.	2	10	—
Bartholme laine.	Charles Mariscot in the yonge Prince from Rigat to Lond. the 19 Dec. 1655	5	00	—

The establishment of coffee-houses in the City of London, as it had its political importance, so also exercised a marked influence on the business of marine insurance. In the absence of other buildings open to public resort, the new

coffee-houses proved very convenient meeting places for men engaged in a common object not requiring much time, and were as if made for underwriters. It was evidently a sheer waste of time for insurance brokers to run about to the houses of a dozen merchants, dispersed, as shown in the preceding document, from Bartholomew Lane to Crutched Friars and St. Helen's; and the opportunity of meeting together, if only for an hour every day, at some centre, where they might do their business as well as discuss common affairs, and, what was certainly not the least important advantage, procure news of every kind otherwise unobtainable, was no sooner offered than it was accepted on all hands. Within a few years, an extraordinary number of coffee-houses sprang up all over London, and although some of them were specially appropriated, or grew to be, assembly rooms for political gossipers, the majority were meeting places for merchants, who visited them chiefly, if not entirely, for business purposes. The first coffee-house in London, as far as known from the City chroniclers—very dim and meagre, unfortunately, on this as well as on many other interesting social subjects—was in St. Michael's Alley, Cornhill, opened in 1652 by one Bowman, "coachman to Mr. Hodges, a Turkish merchant." It would seem that the "Turkish merchant" was the real owner of the place, employing his servant to sell the new drink, generally known as "Kauphy," the berries of which he was one of the first to import, and did his best to make popular.

The Turkish importation did very soon become popular, and thereupon other coffee-houses sprang up with surprising rapidity. Among the most renowned of the earlier of them were "Hains' Coffee-house," in Birchin Lane; "Elford's Coffee-house," next door to the long famous "George and Vulture Tavern," George Yard, Lombard Street; "Paynter's Coffee-house," described as "over against St. Michael's Church;" and, somewhat further westward, "Farr's Coffee-house" in Fleet Street, under the sign of the still existing "Rainbow." The proprietor of the last-named coffee-

house got into trouble the moment his house was opened, in 1657, when he was at once prosecuted, and heavily, for "making and selling a sort of liquor called Kauffee, being a great nuisance and prejudice to the neighbourhood." Other prosecutions, some due to political motives, and some to the clamour of tavern keepers who found their trade imperilled, followed in succession, and the whole culminated in an ordinance of Charles II., summarily ordering "the shutting-up and suppressing of all coffee-houses." The reason assigned for this extraordinary edict was that coffee-houses were "the occasion of the meeting of disaffected persons," by whom "diverse false, malicious, and scandalous reports are devised and spread abroad, to the defamation of his Majesty's Government, and to the disturbance of the quiet and peace of the realm." It was a far-reaching accusation against the consumers of so harmless a drink as coffee, and the coffee-house keepers lost no time in appealing to the law courts against the royal ordinance. When the case came on for hearing, the opinions of the judges as to whether it was lawful to sell or drink coffee, were solemnly recorded, and the decision announced was "that the retailing of coffee might be an innocent trade, but as it was used to nourish sedition, spread lies, and scandalize great men, it might also be a common nuisance." Finally, after a great deal more discussion, the judges granted permission to the "masters" of coffee-houses to keep them open on condition that they should "prevent all scandalous papers, books, and libels from being read in them, and hinder every person from declaring, uttering, or divulging all manner of false and scandalous reports against the Government or the Ministers thereof."

The anti-coffee ordinance of Charles II. soon fell into desuetude; still the declaration of the judges had the notable effect of raising, for at least a generation or two, the proprietors of coffee-houses into somewhat important personages. Having been made responsible for the conduct, and even, to some extent, for the opinions of their

guests, the masters of these establishments acquired a dignity they never possessed before, and out of it grew, among other results, that of some degree of fame attending their names. The fame, in many instances, out-lasted their lives. "Garraway," born in the seventeenth century, did not die till after the middle of the nineteenth; "Lloyd," his contemporary, still lives, world famous, and, for all we know, may achieve what is called immortality.

"Lloyd's coffee-house" does not seem to have been among the earlier establishments of the kind, or at least not to have been frequented early, for no notice of it occurs before the year 1688. Previous to this date, several other coffee-houses had become largely the resort of shippers, underwriters, and the mercantile community in general. Among the names of known masters of such coffee-houses, gathered from newspaper advertisements, are "Hains," "Garraway," and "Thomas Good." The name that occurs first is that of Hains. An advertisement in the "City Mercury," number 12, dated "from Thursday January 20, to Thursday January 27, 1675," informs readers that a vessel bearing the name of "Society Ketch," and "lying at New Crane, English built, burthen fifty tons or thereabouts," will "be exposed to sale by the Candle at Mr. Hain's Coffee-house in Birchin Lane, on Thursday, February 3 next, at three of the clock in the afternoon." Another advertisement of the same kind, referring to "Garraway's," follows a month after, in the "City Mercury," number 20, dated "from Thursday March 16, to Thursday March 23, 1675." It runs: "The ship, 'Sea-Flower' of London, Portugueze built, four year old, 40 Tuns, square Stern'd, free, lying at Wapping Old Stairs, Capt. Henry Ward Commander, is to be sold by inch of Candle at Garraway's Coffee-House, in Exchange-Alley, on Thursday the 30. of this instant March, by three in the afternoon. The Inventory of the said Ship at any time may be seen at the said Coffee-House."

There is another advertisement referring to "Hain's" in the "City Mercury," number 23, dating "from Thursday

April 6 to Thursday April 13," as follows:—"The Ship 'John and Abigal,' Burthen 300 Tuns lying near Wapping-new-stairs (whereof Capt. Daniel Morgan was late Master) will be exposed to sale by inch of Candle at Hains's Coffee-house in Birchin-lane the 20th instant after Exchange time. The Inventory may be seen at the said Coffee-house, and at the Widow Morgans at Wapping New stairs." One more advertisement of the same kind occurs in the "City Mercury," number 25, "from April 20 to April 28." It runs: "The ship 'Return,' of London, English built, square stern'd, Burthen about 115 Tuns, 8 Guns, James Bolton Commander, will be exposed to sale by the Candle at Thomas Good's Coffee-House on Saint Mary-hill near Billingsgate London, on Tuesday the second day of May next, by 10 of the clock in the forenoon. The Inventory is to be seen at the said Coffee-House, and at Gerard Bourn's Office at the East-end of the Royal Exchange."

The period embraced in the foregoing advertisements appears to be the commencement of mercantile transactions, chiefly those relating to shipping, being carried on in coffee-houses. There is no evidence, however, that this was the case at first with underwriting, which remained dispersed in a number of private offices all over the City, with a kind of headquarters at the city's centre, the Royal Exchange. The "City Mercury," principal newspaper of London for a considerable time, was "printed by Andrew Clark, for the Intelligence Office at the Royal Exchange," and from the same place dated not a few public announcements relating to shipping as well as to marine insurance. In the "City Mercury," number 17, "from Thursday February 24 to Thursday March 2, 1675," a Mr. Brigg, "Public Notary," announces that his office "for Buying, Selling, Hiring, and Letting to Freight all sorts of Trading Ships, and solliciting for Passes for the same," remains at the Royal Exchange. Similar advertisements occur frequently. Two of them, referring more especially to marine insurance, the first of this description, appear in the year 1680. In the "City Mercury,"

number 204—now a daily paper, bearing date "Thursday January 20, 1680," and printed "by R. Everingham, at the Seven Stars in Ave-Mary-Lane,"—the public are informed that at "the Office at the Royal Exchange" every day, "Merchants or Masters of Ships may be supplied with Money upon Bottomare, be recommended to Shipping or Freights for Ships, and have Polities, Charter-parties, or other Writing made." This advertisement is repeated in several successive numbers of the "City Mercury," an occurrence not very common at the time. The second advertisement, also from "the Office at the Royal Exchange," which appears in the "City Mercury," number 255, runs as follows:—"Whereas Mr. Daniel Parrot caused a Politie to be made Septemb. 28. last, on the Charles of Plymouth, from Newfound land to Cadiz, which is subscribed by several Insurers, and the Politie lost, and a new Politie made: It is desired that all persons that have subscribed the Politie would come into the Insurance Office, and subscribe the new Politie, that it may be known who the Insurers are; and if any has found the old Politie, they are desired to bring it to Mr. Tho. Astley in the Insurance Office on the Royal Exchange, and they shall be well rewarded." The insurance office here referred to remained in existence till towards the beginning of the eighteenth century, as appears from occasional advertisements in the newspapers.

The first notice to be found anywhere of "Lloyd" is in the "London Gazette," number 2429, "printed by Edward Jones in the Savoy," and dated "from Monday February 18 to Thursday February 21, 1688." It shows that the founder of the now world-famous corporation to which he gave his name, had at this early period—some twenty years before the date usually assigned to the first existence of "Lloyd's Coffee-house"—an establishment in Tower Street, then one of the most important thoroughfares of London, busy with commercial life, and the special haunt of captains and shipowners. The advertisement referring to Mr.

Lloyd, the earliest document that can be discovered giving his Christian name, runs as follows :—" On the 10th instant a middle sized Man, having black curled Hair, Pockholes in his Face, an old brown riding Coat, and a black Bever Hat, was suspected to have taken away 5 Watches, one a pinn'd Case, Silver Box, and a Silver Dial Plate, the Hours cut upon Harts, and a Five Wheel Chain, made by Wilkins of Leicester. The 2d a plain Silver Box with a Glass, the Dial had a pot of Flowers, made by William Corder in Darby. The 3d a Silver Box with a close Silver Case, a pierst Dial Plate with the Day of the Month. The 4th had a Silver Box and a pinn'd Case, many of the Pins being come out, so that the Brass was seen. The 5th had a Silver Box and pinn'd Case, long Hours of the Dial Plate, and Frosted, with a 5 wheel Chain. Whoever gives Notice of them to Mr. Edward Lloyd at his Coffee House in Tower-street, or to Mr. Edward Bransby in Darby, shall have a Guinea Reward." There can be no doubt, from evidence presently to be adduced, that the " Coffee House in Tower Street" here referred to formed the small seed from which sprang the great marine insurance corporation, and that " Mr. Edward Lloyd," owner of the coffee-house, was the founder and name-giving godfather of " Lloyd's."

It is highly probable that the coffee-house of Mr. Edward Lloyd in Tower Street became a resort of persons connected with shipping as soon as it was established, being in one of the best situations for such a purpose. John Stow describes Tower Street as forming, in his time, " a spacious street, well built and inhabited by able Tradesmen, and the rather so as being so great a Thorough-fair to and from Wapping, the Tower, St. Katharine's, and those Parts bordering upon the Thames, replenished with Seafaring Persons." Tower Street, and the whole surrounding district, the Tower Street Ward, besides constituting the headquarters of the City's maritime commerce, containing within its bounds the Custom House, the Navy Office, and Trinity House, had likewise among its inhabitants a large

infusion of those foreigners who first practised marine insurance in England, the Hanseatics and the Lombards. The former possessed, half-way between the Customs House and Billingsgate, a wharf of their own, forming a branch of the Steelyard, while the latter dwelt in considerable numbers in "Mincheon Lane," described by Strype, the continuator of Stow, as "a Lane out of Tower Street on the North Side, so-called of Tenements there sometimes pertaining to the 'Minchuns,' or Nuns, of St. Helen's in Bishopsgate Street."

The Italian merchants of the district, referred to in the last advertisement, were doubtless, like their countrymen in Lombard Street and other parts of the City, engaged in marine insurance transactions, the avocations of all of them being more or less connected with shipping. They and their ancestors, natives of Genoa chiefly, were popularly known as "galley-men," a name explained by Strype as "Men that came up in the Galleys, and brought up Wines and other Merchandizes, which they landed in Thames Street, at a place called Galley-Key." As further recorded by the old City chronicler, "They had a certain Coin of Silver amongst themselves, which were Half Pence of Genoa, and were called Galley Half Pence. These Half Pence were forbidden in the 13th year of King Henry IV., and again by Parliament in the 4th of Henry V.; and it was enacted that if any Person bring into this Realm Galley Half Pence, Suskins, or Dodkins, he should be punished as a Thief, and he that taketh or payeth such Money shall lose an hundred Shillings, whereof the King shall have the one-half, and he that will sue the other half. Notwithstanding in my Youth I have seen them pass currant, but with some difficulty, for that the English Half Pence were then, though not so broad, somewhat thicker and stronger." Even after Stow's time, "galley half pence" were occasionally seen in London, and it is not unlikely that the coin was often enough passed by the Italian merchants of Tower Street visiting Lloyd's coffee-house.

Mr. Edward Lloyd remained in Tower Street till about 1792, in which year, or perhaps the year before, he removed his establishment to Lombard Street. Various advertisements in the "London Gazette" and other papers show that "Lloyd's Coffee-house" was a well-known place, though there is no evidence that as yet it was the chosen resort of underwriters, or particularly connected with marine insurance. A number of these advertisements, referring to runaway slaves, are nevertheless curious in more than one respect. Thus, in the "London Gazette," number 2495, dated "from Monday October 7 to Thursday October 10, 1689," appears the following:—"Run away from Captain John Bradyl, a Tawny-Moor about 20 years of age, bow Legged, with a light colour'd Coat, a white Wastecoat, and a pair of Shammy Breeches. Whoever gives notice of him at the aforesaid Captain's House on Rotherhithe-Wall, or at Mr. Lloyd's Coffee-House in Tower-street, shall have 20*s.* Reward, and their Charges." Another advertisement in the "London Gazette," number 2505, "from Monday November 11 to Thursday November 14 1689," is of a similar kind, also referring to a runaway slave:—"One Thomas Baker, aged 16 years, slender, of a fresh colour, lank brown hair, and small Legs, Servant to a Commander of a Ship. Whoever brings him to Lloyd's Coffee-house in Tower-street, shall have a good Reward." The following, from the "London Gazette," number 2643, dated "from Thursday March 5 to Monday March 9 1690," is a third specimen:—"Run from on Ship-board a Negro named Will, aged about 22; he had a grey Suit, and speaks English well. Whoever secures him, and gives notice to Mr. Lloyd at his Coffee-house in Tower-street, London, shall have a Guinea Reward." It is clear from these advertisements that the "seafaring persons" mentioned by Stow as "replenishing" Tower Street and its neighbourhood, were in the habit of frequenting "Lloyd's Coffee-house." The connection thus formed led easily up to marine insurance.

The removal of Mr. Edward Lloyd from Tower Street further westward, which took place either in 1691 or 1692, was a decidedly progressive step, calculated to make his establishment, more than could otherwise have been the case, the meeting place of merchants of the highest class. The new site of Lloyd's coffee-house was at the corner of Abchurch Lane and Lombard Street, a few doors from the General Post Office, and in the very centre of the mercantile life of the period. Almost all the leading coffee-houses, which had become meeting places for the transactions of daily business in the City, as well as places of refreshment, were at or near this centre. Both in Lombard Street and Abchurch Lane were a number of these establishments, and no less than four of the principal ones stood in Exchange Alley, facing the corner of Lombard Street and Abchurch Lane. Here, in Exchange Alley, Strype relates, "are divers eminent coffee houses, Garaway's, Jonathan's, Baker's, Elmer's, chiefly frequented by Brokers, Stockjobbers, Frenchmen, Jews, as well as other Merchants and Gentlemen." Another large establishment of the kind, described as "Bridge's Coffee-house and warehouse," stood in the neighbouring Pope's Head Alley, close to the ancient Pope's Head tavern; and still another, known as "John's Coffee-house," had its place in Birchin Lane. The last-named establishment was the one most frequented by shipbrokers, captains, and merchants, before Mr. Edward Lloyd came into the neighbourhood, and periodical sales were held in the rooms. The announcement of one of these, in the "London Gazette," number 2562, "from Thursday May 29 to Monday June 2, 1690," runs as follows:—"On Thursday the 5th of June, at 3 of the Clock in the Afternoon, will be exposed to Sale by the Candle, at John's Coffee-house in Birching-lane, the Ship Revenge, Portuguese built, Burthen 300 Tuns, 26 Iron Guns, 12 Brass Patereroes; and the Ship Delight, English Built, Square Stern'd, 130 Tuns, 10 Guns and 2 Patereroes; the Inventories to be seen at the place aforesaid, or at Billingsgate Coffee-house upon Smart's

Key." It was not long before "John's Coffee-house" found a formidable rival in "Lloyd's Coffee-house."

The earliest notice of Mr. Edward Lloyd's new establishment in Lombard Street shows that he was not long in forming a shipping connection. In the "London Gazette," number 2812, "from Thursday October 20 to Monday October 24, 1692," is the following advertisement:—"On Tuesday the 8th of November next, at Bennet's Coffee-house in Plimouth, will be exposed to Sale, by Inch of Candle, 3 Ships with all their furniture; the Names whereof are the Teresa, the St. Thomas, and the Palm, two of 400 Tuns, and the other 100 Tuns. The Inventories thereof are to be seen at Lloyd's Coffee-house in Lombard street, London. The said Ships are entered out for Barbadoes or Virginia." Other advertisements, of a similar kind, show that gradually after this period, "Lloyd's Coffee-house" became more and more the resort of persons connected with shipping, and that there were regular sales of vessels, more numerous than those previously held at "John's Coffee-house," the rivalry of which was not long sustained. That the rise of his coffee-house was due to Mr. Edward Lloyd's personal activity and intelligence, which gathered round him a class of men largely profiting by the same, was proved in the course of a few years by an event of special interest, the establishment by him of a weekly paper furnishing commercial and shipping news. The paper, which may be considered the first seed towards the rise of the great corporation bearing the founder's name, was called "Lloyd's News."

CHAPTER V.

LLOYD'S NEWS, AND THE RISE OF LLOYD'S COFFEE-HOUSE.

IT was a somewhat formidable undertaking on the part of Mr. Edward Lloyd, an obscure "coffee-man," to establish a newspaper, and that he did so furnishes proof of no slight enterprise combined with capital. Dwelling on the condition of the press at the period just previous to the establishment of "Lloyd's News," Macaulay remarks: "Nothing like the daily paper of our time existed, or could exist. Neither the necessary capital, nor the necessary skill was to be found. Freedom too was wanting; a want as fatal as that of either capital or skill. The press was not indeed under a general censorship, for the Licensing Act which had been passed soon after the Restoration had expired in 1679. Any person might therefore print, at his own risk, a history, a sermon, or a poem, without the previous approbation of any public officer; but the judges were unanimously of opinion that this liberty did not extend to Gazettes, and that, by the common law of England, no man not authorized by the Crown had a right to publish political news." The only publication of the period allowed to exist unmolested was the government organ, the "London Gazette," the poorest of newspapers. "The London Gazette," says Macaulay, describing it with his usual vividness, "came out

only on Mondays and Thursdays. The contents generally were a Royal proclamation; two or three long addresses; notices of two or three promotions; an account of a skirmish between the Imperial troops and the Janissaries on the Danube; a description of a highwayman; an announcement of a grand cockfight between two persons of honour; and an advertisement offering a reward for a strayed dog. The whole made up two pages of moderate size. Whatever was communicated respecting matters of the highest moment was communicated in the most meagre and formal style. Sometimes, indeed, when the Government was disposed to gratify the public curiosity respecting an important transaction, a broadside was put forward giving fuller details than could be found in the 'Gazette;' but neither the 'Gazette,' nor any supplementary broadside printed by authority, ever contained any intelligence which it did not suit the purposes of the Court to publish. The most important Parliamentary debates, the most important State trials recorded in our history, were passed over in profound silence. In the capital, the coffee-houses supplied in some measure the place of a journal, and thither the Londoners flocked, as the Athenians of old flocked to the market place, to hear whether there was any news." This last sentence of the great historian may furnish a key to the origin of "Lloyd's News."

Mr. Edward Lloyd started his first journalistic enterprise, destined to be the forerunner of a far more important one, in the summer of 1696, and continued it till the end of February of the following year, issuing altogether seventy-six numbers during this time, at the rate of three numbers a week, the days of publication being Tuesday, Thursday, and Saturday. Whether on account of the edition printed being small, which is likely enough, or for other reasons, copies of "Lloyd's News" have become exceedingly rare at present, so much so that the great collection of old newspapers at the British Museum is in possession of but a single number. A complete set of "Lloyd's News" cannot be discovered;

but one nearly complete is to be found among the treasures of the Bodleian Library. The noble book-store of the University of Oxford has all the numbers of "Lloyd's News," except the first seven, the earliest in the collection, marked No. 8, bearing date September 17, 1696.

The following is a short summary of the contents of the file of "Lloyd's News" in the Bodleian Library, interesting as giving distinct traces of the distant origin, reaching nearly two hundred years back, of the great "Lloyd" of the nineteenth century.

1696.

No. 8. September 19. News from Berbadoes, June 30; Coronna, Sep. 4; Edenburgh, Sep. 8; Dublin, Sep. 9; Baltimore in Ireland, Aug. 26; Kinsale, Sep. 4; Falmouth, Sep. 12; Bristol, Sep. 14; Yarmouth, Sep. 14; Portsmouth, Sep. 15; Portsmouth, Sep. 16; Harwich, Sep. 15.

No. 9. September 19. News from Turin, Sep. 11; Vienna, Sep. 12; Frankfort, Sep. 19; Warsaw, Sep. 4; Venice, Sep. 7; Paris, Sep. 17; Cleeve, Sep. 19; Plimouth, Leverpool, Sheilds, Weymouth, Yarmouth, Portsmouth, Gravesend, Dartmouth.

No. 10. September 21. News from Cadiz, Aug. 20; Legorne, Sep. 3; Warsaw, Sep. 7; Vienna, Sep. 12; St. Maloe, Sep. 10; Mentz, Sep. 15; Franckfort, Sep. 19; Ghent, Sep. 24; Edinburgh, Plimouth, Weymouth, Cowes, Portsmouth, Deal, Shields, Yarmouth.

No. 11. September 24. News from Amsterdam, Sep. 27th, 28th; Lisbon, Aug. 14; Milan, Sep. 12; Hailbron, Sep. 22; Loo, Sep. 26; Galloway, Limerick, Kinsale, Waterford, Dublin, Edenburgh, Falmouth, Plimouth, Leverpool, Harwich, Norwich.

No. 12. September 26. News from Napoli di Malvasia, Aug. 8; Venice, Sep. 14; Paris, Sep. 24; Hague, Sep. 28; Edenburgh, Pembrook, Shields, Cowes, Yarmouth, Harwich, Portsmouth. Inventory of

Cargo of the Ship Sarah from the East Indies and China.

No. 13. September 29. News from Zurick, Sep. 15th, Vienna, 19th; Paris, 28th; Mosbach, 24th; Pembrook, Plimouth, Shields, Bristol, Weymouth, Deal.

Cargo of the Martha from the Bay of Bengal.

Do. Dorothy China, so far as can at present be gathered from the Accompts receïved from the Boatswain of the said ship.

No. 14. October 1. News from Rome, Sep. 15; Venice, Sep. 20; Valenza, Sep. 21; Mosco, Aug. 18; Lemberg, Sep. 12; Vienna, Sep. 23; Paris, Oct. 1; Hague, Oct. 5th & 6th; Dublin, Plimouth, Yarmouth, Harwich.

No. 15. October 3. News from Turin, Sep. 25; Peterwaradin, Sep. 20; Strasbourgh, Sep. 27; Mosbach, Oct. 1; Franckfort, Oct. 3; Hague, Oct. 8; Cadiz, Sep. 9; Plimouth, Shields, Yarmouth, Harwich.

Cargo of 12 East-India-Ships.

No. 16. October 6. News from Legorn, Rome, Dresden, Copenhagen, Ghent, Edenburgh, Falmouth, Plimouth, Bristol, Portsmouth, Deal, Shields, Yarmouth, Harwich, Genova, Valenza, Turin, Vienna, Dantzick, Frankfort.

No. 17. October 8. News from Ciprus, Genoa, Rome, Warsaw, Milan, Legorn, Pembrook, Falmouth, Portsmouth, Shields, Yarmouth, Harwich, Deal, Cows.

No. 18. October 10. News from Londonderry, Bay of Moyne near Sligo, Edenburgh, Pembrook, Falmouth, Plimouth, Weymouth, Cowes, Portsmouth, Bristol, Shields, Yarmouth. Letter from Berbadoes containing an account of a ship troubled with Spirits.

No. 19. October 13. News from Milan, Strasburg, Brux-

hall, Paris, Ghent, Brussells, Falmouth, Plimouth, Leverpool, Cowes, Portsmouth, Harwich.

No. 20. October 15. News from Ghent, Amsterdam, Rome, Falmouth, Plimouth, Cowes, Portsmouth, Yarmouth, Harwich, Gravesend.

No. 21. October 17. Three letters of the Duke of Savoy to his Allies. Pembrook, Falmouth, Plimouth, Cowes, Deal, Harwich.

No. 22. October 20. News from Kinsale, Traley, Belfast, Falmouth, Plimouth, Weymouth, Portsmouth, Shields, Harwich, Newfoundland.

No. 23. October 22. News from Napoli di Romania, Messina, Mosco, Naples, Rome, Milan, Berlin, Paris, Cadiz, Newfoundland, Falmouth, Weymouth, Plimouth, Bristol, Portsmouth.

No. 24. October 24. News from Cadiz, Falmouth, Plimouth, Bristol, Weymouth, Shields, Yarmouth, Leverpool.

No. 25. October 27. News from Turin, Venice, Vienna, Falmouth, Madrid, Plimouth, Bristol, Portsmouth, Deal, Yarmouth, Harwich.

No. 26. October 29. News from Kinsale, Falmouth, Plimouth, Cowes, Portsmouth, Deal, Leverpool, Harwich.

No. 27. October 31. News from Falmouth, Plimouth, Cowes, Portsmouth, Deal, Yarmouth, Harwich.

No. 28. November 3. News from Smirna, Cadiz, Naples Rome, Lemberg, Legorn, Milan, Turin, Venice, Strasbourg, Copenhagen, Paris, Middleburgh, Portsmouth, Yarmouth, Harwich.

No. 29. November 5. News from Turin, Dantzick, Middleburgh, Philipville, Berlin, Paris, Brussels, Amsterdam, Guernsie, Falmouth, Shields, Plimouth, Yarmouth, Portsmouth, Harwich.

No. 30. November 7. News from Rome, Basel, Cadiz, Venice, Vienna, Mentz, Falmouth, Plimouth, Portsmouth, Yarmouth, Harwich.

No. 31: November 10. News from Smirna, Genoa, Warsaw, Berlin, Guernsie, Falmouth, Plimouth, Weymouth, Portsmouth, Shields, Yarmouth, Harwich.

No. 32. November 12. News from Constantinople, Ragusa in Dalmatia, Marseilles, Rhinfelt, Pembrook, Falmouth, Plimouth, Dartmouth, Weymouth, Bristol, Yarmouth, Harwich.

No. 33. November 14. News from Madrid, Milan, Dantzick, Paris, Ghent, Amsterdam, Dublin, Leverpool, Dartmouth, Weymouth, Portsmouth, Harwich.

No. 34. November 17. News from Constantinople, Alexandria, Milan, Venice, Turin, Cadiz, Copenhagen, Paris, Namur, Brussels, Amsterdam, Pembrook, Bristol, Portsmouth, Falmouth, Plimouth.

No. 35. November 19. News from Venice, Frankfort, Aeth, Ghent, Middleburgh, Flushing, Falmouth, Plimouth, Cowes, Shields, Yarmouth, Harwich, Deal.

No. 36. November 21. News from Vienna, Rhynfelt, Audinard, Falmouth, Plimouth, Weymouth, Portsmouth, Harwich.

No. 37. November 24. News from Gibralter, Corfu, Warsaw, Turin, Vienna, Milan, Strasburgh, Copenhagen, Liege, Collogne, Hague, Paris, Maestritch, Ghent, Brussels, Amsterdam, Dublin, Plimouth, Cowes, Portsmouth, Harwich.

No. 38. November 26. News from Rome, Venice, Hailbron, Hidelbergh, Aeth, Ipres, Dungarvan, Galloway, Dublin, Falmouth, Plimouth, Bristol, Yarmouth, Portsmouth.

No. 39. November 28. News from Peter-Waradin, Turin, Hermanstadt, Warsaw, Vienna, Strasburgh, Maestricht, Liege, Hague, Falmouth, Plimouth, Shields, Bristol, Cowes, Portsmouth, Deal.

No. 40. December 1. News from Cadiz, Turin, Vienna, Strasburgh, Mentz, Venice, Ratisbone, Paris, Frankfort, Collogne, Hamburgh, Liege, Ghent, Amsterdam, Pembrook, Plimouth, Dartmouth, Yarmouth, Portsmouth, Deal.

No. 41. December 3. News from Cadiz, Pignerol, Vienna, Frankfort, Dinant, Falmouth, Plimouth, Weymouth, Yarmouth, Portsmouth, Deal, Harwich.

No. 42. December 5. News from Baltimore, Killibigs, Galloway, Wexford, Dublin, Shields, Falmouth, Plimouth, Weymouth, Portsmouth, Harwich, Newfoundland.

No. 43. December 8. News from Lisbon, Cadiz, Madrid, Toulon, Milan, Strasburgh, Neustadt, Linburgh, Collogne, Maestricht, Paris, Falmouth, Plimouth, Yarmouth, Portsmouth.

No. 44. December 10. News from Adrianople, Venice, Frankfort, Paris, Ghent, Menim, Brussels, Falmouth, Plimouth, Deal, Yarmouth, Portsmouth, Harwich.

No. 45. December 12. News from Napoli di Romania, Ceuta, Madrid, Genoa, Warsaw, Marseilles, Turin, Venice, Vienna, Dantzick, Ratisbone, Hailbron, Trier, Frankfort, Courtray, Brussels, Hague, Falmouth, Plimouth, Deal.

No. 46. December 15. News from Hermanstadt, Girone, Vienna, Strasburgh, Frankfort, Collogne, Liege, Paris, Brussels, Ghent, Hague, Amsterdam, Pembrook, Fowy, Plimouth, Yarmouth, Portsmouth.

No. 47. December 17. News from Constantinople, Genoa, Warsaw, Turin, Vienna, Dantzick, Mentz, Collogne, Ghent, Hague, Pembrook, Plimouth, Yarmouth, Portsmouth, Harwich.

No. 48. December 19. News from Cadiz, Corunna, Milan, Audernard, Brussels, Falmouth, Plimouth, Portsmouth, Cowes, Harwich.

No. 49. December 22. News from Naples, Vienna, Hailbron, Namur, Falmouth, Edenburgh, Plimouth, Yarmouth, Cowes, Portsmouth, Weymouth.

No. 50. December 24. News from Smirna, Warsaw, Madrid, Venice, Vienna, Ratisbone, Strasburgh, Hailbron, Maestricht, Paris, Leige, Ostend, Kinsale,

Dundalk, Limerick, Waterford, Baltimore, Dublin, Plimouth, Harwich.

No. 51. December 26. News from Turin, Warsaw, Mentz, Berlin, Frankfort, Wezel, Lisle, Namur, Huy, Falmouth, Plimouth, Portsmouth.

No. 52. December 29. News from Warsaw, Vienna, Strasburgh, Paris, Holstein, Frankfort, Liege, Ghent, Brussels, Hague, Amsterdam, Corunna, Falmouth, Plimouth, Portsmouth, Bristol, Cowes, Deal.

No. 53. December 31. News from Madrid, Warsaw, Rochel, Vienna, Studtgard, Newstadt, Trier, Paris, Frankfort, Collogne, Hague, Kinsale, Cork, Pembrook, Falmouth, Weymouth, Plimouth, Yarmouth, Dartmouth.

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No. 54. January 2. News from Lisbon, Legorn, Turin, Copenhagen, Vienna, Paris, Hailbron, Frankfort, Collogne, Liege, Hague, Skibbereen, Donnoghadee, Cork Harbour, Portsmouth, Plimouth, Bristol, Weymouth, Cowes, Harwich.

No. 55. January 5. News from Smirna, Lisbon, Belgrade, Cadiz, Madrid, Warsaw, Dresden, Paris, Courtray, Brussels, Maestricht, Amsterdam, Falmouth, Plimouth, Cowes, Portsmouth, Deale.

No. 56. January 7. News from Madrid, Vienna, Stockholm, Strasburgh, Mentz, Franckfort, Paris, Collogne, Ostend, Hague, Falmouth, Plimouth, Cowes, Harwich, Portsmouth.

No. 57. January 9. News from Napoli di Romania, Rome, Vienna, Rhynfelt, Hailbron, Middleburgh, Liege, Ghent, Tralee, Waterford, Baltimore, Kinsale, Shields, Falmouth, Plimouth, Liverpool, Cowes, Harwich.

No. 58. January 12. News from Berbadoes, Turin, Vienna, Frankfort, Collogne, Hamburgh, Maestricht, Amsterdam, Falmouth, Plimouth, Portsmouth, Harwich.

No. 59. January 14. News from Milan, Basil, Warsaw, Venice, Paris, Namur, Hamburgh, Londonderry, Kinsale, Cork, Dublin, Dartmouth, Falmouth, Plimouth, Yarmouth, Harwich.

No. 60. January 16. News from Cyprus, Hermanstadt, Basil, Vienna, Trier, Mentz, Ghent, Liege, Amsterdam, Newfoundland, Falmouth, Cowes.

No. 61. January 19. News from Constantinople, Candia, Marseilles, Vienna, Falmouth, Leverpool, Dartmouth, Harwich, Portsmouth, Cadiz, Madrid, Paris.

No. 62. January 21. News from Naples, Cadiz, Rome, Stockholm, Vienna, Bern, Strasburgh, Frankfort, Paris, Aeth, Brussels, Hague, Falmouth, Plimouth, Yarmouth, Harwich.

No. 63. January 23. News from Venice, Vienna, Mentz, Mosell, Ostend, Cork, Kinsale, Killibigs, Dublin, Falmouth, Shields, Plimouth, Bristol, Portsmouth, Yarmouth, Harwich.

No. 64. January 26. News from Edenburgh, Pembrook, Portsmouth, Plimouth, Shields, Deal, Bristol, Cowes, Weymouth, Harwich.

No. 65. January 28. News from Constantinople, Madrid, Milan, Venice, Vienna, Hailbron, Paris, Ghent, Falmouth, Shields, Plimouth, Cowes, Deal, Portsmouth, Harwich.

No. 66. January 30. News from Turin, Genoa, Vienna, Hailbron, Paris, Ghent, Falmouth, Plimouth, Weymouth, Sandbourne, Cowes, Deal, Harwich.

No. 67. February 2. News from Edenburgh, Yarmouth, Falmouth, Plimouth, Harwich, Bristol, Weymouth, Cowes, Portsmouth, Deale.

No. 68. February 4. News from Cadiz, Allicant, Sevil, Milan, Madrid, Chambrey, Vienna, Zurick, Strasburgh, St. Ubes, Copenhagen, Paris, Namur, Ghent, Amsterdam, Killibigs, Kinsale, Youghall, Pembrook, Falmouth, Plimouth, Yarmouth, Portsmouth, Harwich.

No. 69. February 6. News from Warsaw, Rome, Vienna, Hailbron, Frankfort, Hidelburgh, Collogne, Paris, Liege, Hague, Falmouth, Shields, Yarmouth, Bristol, Weymouth.

No. 70. February 9. News from Cadiz, Vienna, Lubeck, Copenhagen, Rhynefelt, Mentz, Collogne, Brussels, Falmouth, Weymouth, Portsmouth, Deale.

No. 71. February 11. News from Tripoli, Ceuta, Rome, Bern, Warsaw, Vienna, Middleburgh, Ratisbone, Strasburgh, Nederstein, Francfort, Paris, Liege, Brussels, Falmouth, Plimouth, Yarmouth, Portsmouth.

No. 72. February 13. News from Vienna, Strasburgh, Stockholm, Hailbron, Coblentz, Paris, Maestricht, Dublin, Falmouth, Plimouth, Yarmouth, Weymouth, Harwich, Portsmouth, Deale.

No. 73. February 16. News from Ragusa, Cadiz, Lisbon, Rome, Vienna, Copenhagen, Strasburgh, St. Sebastian, Collogne, Hambro, Liege, Paris, Amsterdam, Ghent, Brussels, Shields, Harwich.

No. 74. February 18. News from Cadiz, Hailbron, Paris, Cologne, Liege, Hambro, Ghent, Falmouth, Shields, Plimouth, Yarmouth, Harwich, Deale.

No. 75. February 20. News from Vienna, Strasburgh, Hailbron, Copenhagen, Frankfort, Cologne, Liege, Bruges, Amsterdam, Hague, Dartmouth, Shields, Yarmouth, Portsmouth, Deal, Harwich.

No. 76. February 23. News from Cadiz, Legorn, Bilboa, Venice, Vienna, Paris, Ostend, Falmouth, Plimouth, Portsmouth, Shoram.

It will be seen from the above summary of contents, that the "Lloyd's News" of 1696-97 was a very respectable paper for the period, containing more information, particularly such as would be acceptable to merchants, captains of vessels, and shippers to foreign countries, than the great mass of news-sheets at the time, including the "London

Gazette." The size of "Lloyd's News" was the same as that of the "London Gazette," about 12 inches long and 7½ inches broad, with printed matter filling 10½ by 5¼ inches; and, like the official paper, it consisted of a single leaf of two pages, but issued three times, instead of only twice, every week. All the numbers of "Lloyd's News" bear the imprint at the end, "Printed for Edward Lloyd, Coffee-man, in Lombard Street," with frequent notices that the paper is to be had at the coffee-house. That it was chiefly issued for the benefit of the frequenters of the coffee-house, there is some internal evidence in the contents, as also that it became gradually, during its short existence, a medium of communication for merchants, and, what seems highly probable, for underwriters. In number 61, and succeeding numbers, Mr. Edward Lloyd makes the following announcement to his customers and readers of his paper: "All Gentlemen, Merchants, or others, who are desirous to have this News in a whole Sheet of Paper [two leaves instead of one leaf], for to write their own private Concerns in, or other Intelligence for the Countrey, may be supply'd with them, done upon very good Paper, for a Penny a Sheet, at Lloyd's Coffee-house in Lombard Street."

That a paper having so fair a prospect of success as "Lloyd's News," being superior in most respects to the other periodicals of the time, should come to a premature end after an existence of not quite six months, was due solely to the want of press freedom referred to by Macaulay. Like many of his brother journalists, Mr. Edward Lloyd gave offence to the government, but in a manner so trifling as to be quite ludicrous, and this led to the suppression of the paper. In the number of "Lloyd's News" marked 76, and bearing date February 23, 1697, there appeared the following paragraph: "Yesterday the Lords passed the Bill to restrain the Wearing of all wrought Silks from India, with this amendment, to Prohibit the Importation of them from all Parts, which they sent to the Commons for their Concurrence. They also received a Petition from the Quakers

that they may be freed from all Offices." This very innocent piece of information about the doings of the House of Lords was, it seems, not relished in high quarters, and before a day had elapsed Mr. Edward Lloyd received a message requiring him to do humble penance for his grievous offence. What follows is quaintly told in No. 138 of the "Protestant Mercury," a paper under government influence, "printed by J. Dawks in Wardrobe Court in Great Carter Lane," and dated "from Wednesday, February 24, to Friday, February 26, 1696." "Whereas," says the semi-official organ, "in Lloyd's News, of the 23rd instant, it was inserted, That the House of Lords Received a Petition from the Quakers, that they may be freed from all Offices, which being groundless and a mistake, he was desired to rectifie it in his next: But return'd for Answer, it was added by the Printer, and that he would Print no more at present." There was something unusually doughty in this refusal of Mr. Lloyd to obey the behests of the government, and to suppress his paper, rather than acknowledge himself in the wrong. It may be, however, that there were other grounds for the voluntary suppression of "Lloyd's News" than the wounded pride of an able journalist and prosperous "coffee-man."

The vow of Mr. Edward Lloyd "that he would print no more at present" was kept for no less than thirty years, till 1726, when "Lloyd's News" was resuscitated, greatly altered and improved as to contents, in the form of the still flourishing "Lloyd's List," the oldest existing paper, next to the "London Gazette," of the present day. The lapse of thirty years, there is reason to believe, was not an absolute void as regards publishing, but only as regards printing, by the proprietor of "Lloyd's Coffee-house." Written newspapers were common at the time, and continued to be so for many years, as long as the press and printers suffered from constant persecution, and it would seem that "news-letters" furnishing commercial and shipping intelligence were regularly issued to the frequenters of Mr. Lloyd's

establishment. This was easily accomplished, since the circulation of all papers, even the best known, was very small, while there does not appear to have been any aversion to peruse written instead of printed matter. While "Lloyd's News" was in existence, an enterprising caterer for the public, Mr. Ichabod Dawks, brought out a "news-letter" printed in type, in imitation of handwriting, which met with good success. In the first number, dated August 4, 1696, the public were informed that "this letter will be done upon good writing paper, and blank space left that any gentleman may write his own private business," Mr. Dawks adding modestly that his paper "does undoubtedly exceed the best of the written news, contains double the quantity, is read with more ease and pleasure, and will be useful to improve the younger sort in writing a curious hand." As before stated, Mr. Edward Lloyd had before the stoppage of his publication given his customers the option of purchasing it on writing paper, "for to write their own private concerns in," and the transition therefore was not very great from the printed news to the written news-letter.

The progress of the coffee-house at the corner of Lombard Street and Abchurch Lane as a place of resort for merchants and shippers, was very marked in the next dozen years after the establishment of "Lloyd's News." The place was evidently well known at the end of the seventeenth century, for it is referred to frequently in contemporary notices, and its celebrity at this period is attested in a poem entitled "The Wealthy Shopkeeper," published in the year 1700, which has the lines:

> "Now to Lloyd's coffee-house; he never fails
> To read the letters and attend the sales."

The "sales," for some time, were of the most miscellaneous character, embracing all kinds of goods mentioned in advertisements in the public papers. These advertisements show that besides being an auction-room, business of a varied character was transacted within the precincts of Lloyd's

coffee-house. In the "Protestant Mercury," No. 241, "from Friday, February 18, to Wednesday, February 23, 1698," appears the following announcement: "At Lloyd's Coffee-House in Lombard-street, near the General Post-Office, will be Sold by Auction, or who bids most, a Catalogue of Choice English Books, &c., on Wednesday 23rd February. Catalogues to be had at Mr. Parker's under the Piazza's at the Royal Exchange, and at the place of Sale." The "London Gazette," number 3693, from Monday, March 31, to Thursday, April 3, 1701, has this advertisement: "The Owners, Masters, and others, concerned in the Transport Debts for the Years 1693 and 1697, are desired to meet at Lloyd's Coffee-House in Lombard-street, on Wednesday next, the 12th Instant, at 3 in the afternoon." In the "Postman," number 933, dated "Tuesday February 17 to Thursday February 19 1702," is the following announcement on the same subject: "On Monday the 25 instant some concerned in the Transport Debts, design to meet at Loyds Coffeehouse about 3 a Clock Afternoon, and desire as many others of the concerned therein, as can be there at the same time to consult thereabout."

The following advertisement, from the "Postman," number 1069, dating "Thursday December 31, 1702 to Saturday January 2, 1703," is of a different kind from the foregoing. "A Negro Maid aged about 16 years, named Bess, having on a stript stuff Wastcoat and Peticoat, is much pick't with the Small Pox, and hath lost a piece of her Left Ear, speaks English well, ran away from her Master, Captain Benj. Quelch, on Tuesday the 8th of December. If any persons secure the said Negro, and delivereth her to Mr. Lloyd, at his Coffee House in Lombard street, shall receive a Guinea reward and reasonable charge." Another number of the "Postman," marked 1134, "from Tuesday June 1 to Thursday June 3, 1703," has the following announcement: "At Lloyd's Coffee-house in Lombard-street, next Friday, will be sold 53 Hogsheads of extraordinary neat Red French Wines, at 3 o'Clock precisely, and are to be seen until the time of

Sale, in Shippeys Yard by Meads Coffee-house in the Minories."

Half-a-dozen more advertisements of the period may show, with the preceding ones, the growing variety of articles disposed of at Mr. Lloyd's establishment, including horses and prize-ships. The first in the "Postman," number 1178, "from Saturday August 28 to Tuesday August 31, 1703," relates to a great sale of wine. "On Wednesday the 1st September 1703 will be exposed to Sale by the Candle, at Lloyd's Coffee-house in Lombard-street, at 3 of the Clock in the afternoon; about 120 Pipes of rich new Canary, taken as Prize, being an entire parcel none sold out. Catalogues of the said Wines will be dispersed from Saturday next, and the Wines will be shewn from Monday next to the time of Sale, in Witcherlys-yard in Thames-street, and at the Bear, near the Custom-house. To be sold by Lawrence Towne, Sworn Broker, in Litfle Tower-street." The next, the second, advertisement, which appears in the "Postman," number 1191, "from Saturday October 2 to Tuesday October 5 1703," refers to coffee. "On Wednesday the 6th of this instant Octob. will be exposed to Sale, a parcel of Turkey Coffee, at Lloyd's Coffee-house in Lombard street, at 3 a clock in the afternoon, Samples of the same may be seen at Lloyd's aforesaid, from Monday morning the 4th instant till the time of Sale by Will. Brown Sworn-Broker." In the third advertisement, published in the "London Gazette," number 4273, "from Monday October 21 to Thursday October 24, 1706," Spanish stockholders are called together. "All gentlemen concerned in the Stock called the Spanish Expedition, are desired to meet at Lloyd's Coffee-house in Lombard-street on Wednesday the 30th instant at 3 in the afternoon, to consult and agree upon a Way and Method of dividing the remaining part of the said stock, in the Hands of Wynne Houblon Esq.; and of putting an end to the Law-Suit now depending concerning the same." The fourth advertisement, published in the "Tatler," number 25, "from Saturday June

4, to Tuesday June 7, 1709," refers to a horse sale, and is unique of its kind, even as to the dice. "At Lloyd's Coffee-house in Lombard-street, to Morrow, being the 8th Instant, at 3 a Clock, will be on Sale a fine fresh Stone-horse, just come out of Yorkshire, 60 Guineas value to be thrown for by Dice, each Lot a Guinea, to be paid to Mr. Lloyd when subscrib'd. The Horse to be seen at any time before the Sale, at Mr. Child's Stable, at the Castle and Falcon in Aldersgate-street."

The following advertisement, fifth in the list, in the "Postman," number 1953, dated "Thursday December 14 to Saturday December 16, 1710," announces the sale of a ship. "The St. Joseph, a Prize, with her Cargo, Sugar, Indico, and Anatto, will be exposed to publick Sale at Lloyd's Coffee House in Lombard Street, the 1st of January." A rider to this advertisement is in another published the week after in the "Postman," number 1955. "Whereas the St. Joseph a Prize, taken by the Selby Galley, and her Loading of Sugar, Indigo and Anatto, was to be sold by inch of Kandale at Lloyd's Coffee House in Lombard street on the 1st of Jan. next. This is to give notice, That the said Sale is adjourn'd to the 12th Day of Jan. next at the said Coffee-House." The sixth advertisement in the list here given, published in the "London Gazette," number 3986, "from Thursday January 20 to Monday January 24, 1713," refers to another prize. "There will be exposed to Sale by the Candle at Falmouth, the 18th of February next, about 400 Tuns of Cales Salt, more or less, now on board a Prize called the Welfare of Liefland, in the Harbour, where the same may be seen; and a Sample thereof at Mr. Edw. Lloyd's Coffee-House in Lombard-street, London."

The following tabular statement of sales advertised in the "London Gazette" and other newspapers, the names of which are given, will show in the most concise form the gradual growth and development of Lloyd's coffee-house into a centre of shipping business. The table, it will be seen, embraces a period of fifteen years, from 1698 till 1712.

SALES AT LLOYD'S COFFEE-HOUSE.

Article for Sale.	Date.	Newspaper.	Observations.
Brandy	Oct. 26, 1698	London Gazette	"Lying at Summer Key."
Ditto	Nov. 23, 1698	Ditto	Ditto.
Ditto	Jan. 11, 1698	Ditto	"To be seen at Sir Theodore Jansen's house in Barge Yard, Bucklersbury."
Ditto	Feb. 3, 1698	Ditto	"In a warehouse at Fresh Wharf, near London Bridge, Laurence Towne, broker in Little Tower Street."
174 Shares of the Lustring Company	Apr. 8, 1699	Ditto	
French wines	Apr. 20, 1699	Ditto	
Ditto	Jan. 18, 1700	Ditto	
Ship Association and brandy	Feb. 28, 1700	Ditto	"Lying at Wapping Old Stairs; brandy at Mr. Peter's, in Bow Lane."
Three ships	Jan. 20, 1702	Ditto	"One lying at Gallway and two at Scilly."
Two ships, &c.	Apr. 28, 1703	Ditto	"Lying at Plymouth, Weymouth, and Falmouth."
Lading of ship Dorothy	May 13, 1703	Ditto	"Lying at Plimouth."
Three ships, &c.	Feb. 9, 1704	Ditto	"Inquiries answered by Mr. Peter Hill, merchant, Falmouth; by Mr. Avent, Plimouth; and by Mr. Gabriel Soulden, at Kinsale."
French salt	Feb. 23, 1704	Ditto	"Lading of ship Three Crowns at Galway."
Four ships	June 22 } 1704 June 30 }	Ditto	
The Sidney Frigat	Mar. 15, 1705	Ditto	"Commander, Capt. Upton."
Ship Amazon	Apr. 6, 1705	Ditto	"Being of 130 tuns burthen, and 10 guns."
Obrian and Pontack wines	May 24, 1705	Ditto	"Sold by John Styles, sworn-broker."
Wine	June 21, 1705	Ditto	Ditto
Ship Pearl, or White Pearl, and lading	Aug. 2, 1705	Ditto	"Mr. Keigwyn, agent at Penzance."
Unknown ship, lading, tackle, &c., at Harwich	Feb. 20, 1705	Ditto	"Inventory with Mr. Rob. Meadows, at Harwich."
Ship Pearl and lading, seized in Mounts Bay	Nov. 27, 1706	Ditto	"Lying at Fresh-Wharf."
Coniac and brandy	Jan. 7, 1707	Ditto	"Sign of the Well, in Cannon-street."
Cargo of the Isabella of Leith	Jan. 23, 1707	Ditto	"At the Flower-de-Luce, in Thames-street."
Wine	Feb. 25, 1707	Ditto	
Brandy	Feb. 27, 1707	Ditto	
Claret and brandy	Mar. 11, 1707	Ditto	"At Brabant's Court, in Philpot-lane."
Claret and brandy	Mar. 19, 1707	Ditto	"Sold by Sam. Proctor and Tho. Stevenson."
Brandy	Mar. 31, 1707	Ditto	Ditto.
Brandy, &c.	Apr. 14, 1708	Ditto	Ditto.
Claret	Apr. 16, 1708	Ditto	Ditto.
Alicant wines	June 3, 1708	Ditto	"Thomas Tomkins, broker."
Brandy	June 10, 1708	Ditto	Ditto.
Clarets	July 15, 1708	Ditto	Ditto.
Prize, Eagle galley	Aug. 10, 1708	Ditto	"Taken by H.M. ship Worcester, Capt. Canning."

Article for Sale.	Date.	Newspaper.	Observations.
Farm called Dagfen, in Langroe and Fingringoe, near Colchester .	Sep. 10, 1708 .	London Gazette	"In the estate of Thos. and Sarah Lambe."
Goods from prize ship Francis and Mary .	Sep. 7, 1708 .	Ditto . .	"Taken by H.M. ship Charles, galley, Capt. John Hagar."
Tackle, &c., of prize John Francis . .	Sep. 14, 1708 .	Ditto . .	"Taken by H.M. ship Swallow, Capt. Geo. Paddon."
Privateer Chevalier, tackle, &c. . .	Sep. 24, 1708 .	Ditto . .	"Taken by H.M. ship Dover, Capt. Tho. Matthews."
Brandy, &c., from prize ship Adventure. .	Nov. 18, 1708 .	Ditto . .	"Taken by H.M. ship Newport, Capt. Isaac Cook."
Prize ship Adventure .	Nov. 18, 1708 .	Ditto . .	"Walter Benthall, broker."
Ship Marshal, of Calais, and cargo . . .	Feb. 1, 1709 .	Ditto . .	"Taken by H.M. ship Burlington, Capt. Meades."
Leasehold estates of Mr. Nath. Chenster .	Feb. 1, 1709 .	Ditto . .	"John Styles, sworn broker."
Two prize ships and their cargo . . .	Feb. 16, 1709 .	Ditto . .	"Taken by the Plimouth, Capt. Jonas Hanway:" "John Styles, broker."
Leasehold estates of Mr. Nath. Tutar . . .	Feb. 1, 1709 .	Ditto . .	"John Styles, broker."
Claret	Feb. 11, 1709 .	Ditto . .	"Thomas Tomkins, broker, Crutched Fryars."
Alicant wines . .	Feb. 23, 1709 .	Ditto . .	"Thos. Tomkins, broker."
Cocoa nuts and indigo .	Mar. 24, 1709 .	Ditto . .	Ditto.
Cargo of the St. Peter .	Mar. 24, 1709 .	Ditto . .	Ditto.
Ship St. Peter, of Havre	Apr. 5, 1709 .	Ditto . .	Ditto.
Ship Mary, of Rochel, and her loading of sugar . . .	Apr. 18, 1709 .	Ditto . .	Ditto.
Prize, Sage of Otone and lading . .	May 3, 1709 .	Ditto . .	"Taken by H.M. ship Medway—prize—Capt. John Beverly."
Ship Mary Louis and cargo . . .	May 4, 1709 .	Ditto . .	"Thos. Tomkins, broker."
Coigniac and brandy .	May 5, 1709 .	Ditto . .	Ditto.
Ship Rolland, of Antigue	May 17, 1709 .	Ditto . .	"Walter Benthall, broker."
Coigniac and brandy .	June 9, 1709 .	Ditto . .	"Thos. Tomkins, broker."
Ship Duke of Berwick .	June 23, 1709 .	Ditto . .	"Walter Benthall, broker."
Ditto Mercury .	Ditto .	Ditto . .	Ditto.
Brandy.	July 1, 1709 .	Ditto . .	"Sam. Proctor and Thos. Stevenson, brokers."
Cargo of D. of Berwick	July 22, 1709 .	Ditto . .	"Taken by H.M. ship Gosport, Capt. Tankard Robinson."
Ship St. Michael . .	July 21, 1709 .	Ditto . .	"Taken by H.M. ship Swallow—prize—Capt. Jarmy."
Wines	July 15, 1709 .	Ditto . .	"Thos. Tomkins, broker."
Ditto	July 29, 1709 .	Ditto . .	Ditto.
Clarets	Aug. 5, 1709 .	Ditto . .	Ditto.
Ship Martial, of Calais, and cargo . . .	Aug. 17, 1709 .	Ditto . .	"Taken by H.M.S. Burlington, Capt. Thos. Mead."
Brandy.	Sep. 9, 1709 .	Ditto . .	"Thos. Tomkins, broker."
Red wine	Sep. 15, 1709 .	Ditto . .	Ditto.
Ship Dryad . . .	Dec. 23, 1709 .	Ditto . .	"Taken by the Plimouth, Capt. Jonas Hanway."
Wines	Jan. 25, 1710 .	Postman . .	"Thos. Tomkins, broker."
Ditto	Feb. 7, 1710 .	Ditto . .	Ditto.
Ditto	Feb. 9, 1710 .	Ditto . .	Ditto.
Cargo of ship Voorsigtigheit	Feb. 22, 1710 .	London Gazette	Ditto.
Brandy.	Mar. 3, 1710 .	Postman . .	Ditto.
Wines	Mar. 14, 1710 .	Ditto . .	Ditto.
Ditto . . .	Mar. 16, 1710 .	Ditto . .	Ditto.

Article for Sale.	Date.	Newspaper.	Observations.
Ship Grand Joseph and cargo	Mar. 18, 1710.	London Gazette	"Taken by the Plimouth."
Ditto	Mar. 21, 1710.	Postman	"Thos. Tomkins, broker."
Brandy	Mar. 23, 1710.	Ditto	Ditto.
Ship L'Heureux	Mar. 27, 1710.	London Gazette	Ditto.
Ditto	Apr. 6, 1710.	Postman	Ditto.
Ship Bien Vaillant	Apr. 9, 1710.	London Gazette	"Taken by the Swallow, Capt. Jermy."
Brandy and wines	Apr. 18, 1710.	Postman	"Thos. Tomkins, broker."
Wines	Apr. 20, 1710.	Ditto	Ditto.
Ditto	Apr. 27, 1710.	Tatler	Ditto.
Cargo of Mary Ann	Apr. 30, 1710.	London Gazette	"Taken by the Medway, Capt. Wm. Cock."
Ditto	May 10, 1710.	Postman	"Thos. Tomkins, broker."
Ship Susanna and Mary	May 11, 1710.	London Gazette	"Lying at Ramsgate."
Ditto	May 12, 1710.	Tatler	"Thos. Tomkins, broker."
Ditto	May 16, 1710.	Ditto	Ditto.
Ditto	May 17, 1710.	Ditto	Ditto.
Ditto	May 24, 1710.	Ditto	Ditto.
Brandy and wines	May 26, 1710.	Ditto	Ditto.
Ship Adriade	June 7, 1710.	London Gazette	"To be put up at £650."
Wine stock of Mr. Sharrard	June 9, 1710.	Tatler	"Thos. Tomkins, broker."
Ship Marquis de Berniere and cargo	June 14, 1710.	London Gazette	"Taken by the Valeur."
Wines	June 15, 1710.	Tatler	"Thos. Tomkins, broker."
Brass and iron guns	June 21, 1710.	London Gazette	"Taken by the Valeur."
Brandy and wines	June 23, 1710.	Tatler	"Thos. Tomkins, broker."
Clarets	June 22, 1710.	Ditto	Ditto.
Wines	June 29, 1710.	Ditto	Ditto.
Ditto	July 6, 1710.	Ditto	Ditto.
Ditto	July 7, 1710.	Ditto	Ditto.
Ship Nostre Dame de Consolation	July 12, 1710.	London Gazette	"Taken by the South Sea Castle."
Cargo of ship St. Anthony	July 15, 1710.	Ditto	"Samuel Proctor, broker."
Ship Francis	July 20, 1710.	Ditto	Ditto.
Wines	July 22, 1710.	Tatler	"To be sold by Tho. Tomkins, broker, in Seething Lane, between Tower-street and Crutched-Fryars."
Ditto	July 25, 1710.	Ditto	Ditto.
Ditto	July 27, 1710.	Ditto	Ditto.
Ditto	Aug. 1, 1710.	Ditto	Ditto.
Ditto and Brandy	Aug. 3, 1710.	Ditto	Ditto.
Wines	Aug. 4, 1710.	Ditto	Ditto.
Ditto	Aug. 17, 1710.	Ditto	Ditto.
Oil and wines	Sep. 13, 1710.	Ditto	Ditto.
Wines, being the cargo of the St. Peter, of Dublin	Sep. 14, 1710.	Ditto	Ditto.
Wines	Sep. 21, 1710.	Ditto	Ditto.
Ditto	Sep. 22, 1710.	Ditto	Ditto.
Claret (prize)	Oct. 3, 1710.	Ditto	Ditto.
Wines, cargo of the Two Brothers, from the Azores	Oct. 11, 1710.	Ditto	Ditto.
Brandy and wine	Oct. 19, 1710.	Ditto	Ditto.
Ditto	Oct. 27, 1710.	Ditto	Ditto.
Wines	Nov. 16, 1710.	Ditto	Ditto.
Ditto	Dec. 7, 1710.	Ditto	Ditto.
Ditto	Dec. 13, 1710.	Ditto	Ditto.
Ditto	Dec. 14, 1710.	Ditto	Ditto.
Wines, cargo of St. Joseph	Dec. 20, 1710.	Ditto	Ditto.
Wines imported by the Martin galley	Dec. 22, 1710.	Ditto	Ditto.
Claret (prize)	Jan. 6, 1711.	Ditto	Ditto.
Ship Mary	Jan. 9, 1711.	Postboy	"George Gratham, broker."
Claret (French prize)	Jan. 10, 1711.	Tatler	"Thos. Tomkins, broker."
Ship Espérance and cargo	Jan. 21, 1711.	Post Boy	"George Gratham, broker."

Article for Sale.	Date.	Newspaper.	Observations.
Wines	Feb. 4, 1711.	Tatler	"Thos. Tomkins, broker."
Brandy and Soap.	Feb. 25, 1711.	Ditto	Ditto.
Wines	Mar. 29, 1711.	Post Boy	"George Gratham, broker."
Ditto	Apr. 6, 1711.	Tatler	"Thos. Tomkins, broker."
Claret (French prize)	Apr. 11, 1711.	Ditto	Ditto.
Wines	Apr. 12, 1711.	Ditto	Ditto.
Ditto	Apr. 13, 1711.	Ditto	Ditto.
Ditto	Apr. 18, 1711.	Ditto	Ditto.
Ditto	Apr. 19, 1711.	Ditto	Ditto.
Ditto	Apr. 20, 1711.	Ditto	Ditto.
Ship Louise and cargo	Apr. 27, 1711.	Post Boy	"Samuel Eyre, broker."
Wines	May 2, 1711.	Tatler	"Thos. Tomkins, broker."
Brandy and Claret	May 3, 1711.	London Gazette	Ditto.
Ship St. Eustache	May 4, 1711.	Post Boy	"Samuel Eyre, broker."
Wines	May 5, 1711.	Tatler	"Thos. Tomkins, broker."
Ditto	May 9, 1711.	Spectator.	Ditto.
Ditto	May 11, 1711.	Ditto	Ditto.
Ditto	May 17, 1711.	Ditto	Ditto.
Ditto	May 25, 1711.	Ditto	Ditto.
Ditto	May 26, 1711.	Post Boy	Ditto.
Ditto	June 7, 1711.	Ditto	Ditto.
Ditto	June 27, 1711.	Ditto	Ditto.
Ship Marie and cargo	July 15, 1711.	London Gazette	Ditto.
Ship Bonne Fortune	Aug. 13, 1711.	Ditto	Ditto.
Ship Alliance	Sep. 23, 1711.	Post Boy	"Samuel Eyre, broker."
Cargo of Ship Havre	Oct. 19, 1711.	London Gazette	"Thos. Tomkins, broker."
Ship Bontems	Nov. 4, 1711.	Ditto	Ditto.
Cargo of ship Reveil	Dec. 10, 1711*	Ditto	Ditto.
Wines	Jan. 18, 1712.	Spectator.	Ditto.
Brandy.	Jan. 23, 1712.	Ditto	Ditto.
Wines	Jan. 25, 1712.	Ditto	Ditto.
Ship St. Nicholas and her cargo	Feb. 13, 1712.	London Gazette	Ditto.
Brandy.	Feb. 5, 1712.	Spectator.	Ditto.
Ship Vanquere, 1,000 tons	Feb. 27, 1712.	London Gazette	Taken by H.M.S. The Plimouth, Capt. Hanway.
The Fleet frigate, 300 tuns	Feb. 19, 1712.	Daily Courant.	John Shirley, broker.
St. Quintin fregate, 340 tons	Feb. 28, 1712.	Post Boy.	John Shirley, broker, "at the Crown, in George-yard, Lombard-street, whose business is chiefly in shipping."
Wines, &c.	Apr. 10, 1712.	Daily Courant.	Thos. Tomkins, broker.
Coniack and brandy	Apr. 30, 1712.	Spectator.	Samuel Eyre, broker, "who is to be spoke with every day, on the Royal Exchange and at Lloyd's Coffee-house."
Claret	May 8, 1712.	London Gazette	Tho. Tomkins, broker.
Ditto	May 20, 1712.	Spectator.	Samuel Eyre, broker, "who is to be spoke with every day, at Lloyd's Coffee-house."
Wines	May 30, 1712.	Post Boy.	Thos. Tomkins, broker.
Brandy.	May 30, 1712.	Ditto	Ditto.
Wines	June 5, 1712.	Spectator.	Ditto.
Ditto	June 6, 1712.	Post Boy.	Ditto.
Ditto	June 13, 1712.	Ditto	Ditto.
Claret and other wines	June 19, 1712.	Spectator.	Ditto.
Wines	June 20, 1712.	Post Boy.	Ditto.
Brandy.	July 3, 1712.	Spectator.	Ditto.
Wines	July 4, 1712.	Post Boy.	"Thos. Tomkins, broker, in Seething-lane in Tower-street."
Wines and brandys	July 5, 1712.	Ditto	Ditto.
Wines, the entire cargo of the Abraham and Isaac galley, Henry Wolfe, master	July 12, 1712.	London Gazette	Ditto.

* About this time the advertisements begin to appear in two or three different papers at once.

Article for Sale.	Date.	Newspaper.	Observations.
Wines, entire cargo of the prize St. Ann	July 13, 1712.	London Gazette	"Thos. Tomkins, broker, in Seeting-lane in Tower-street."
Three prize ships	July 31, 1712.	Ditto	"S. Proctor, broker, St. Martin's Lane.
The Sorlings, 300 tuns			"Appraised at £634 18 2
Hardy Brilliac, 300 tuns			,, 1,431 0 6
The Six Brothers, 130 tuns			,, 234 16 8."
Claret and brandy	July 25, 1712.	Spectator.	"Thos. Tomkins, broker."
Claret	Aug. 6, 1712.	Post Boy.	Ditto.
Wines	Aug. 9, 1712.	General Post	Ditto.
Ditto	Aug. 21, 1712.	Post Boy.	Ditto.
Ditto	Aug. 23, 1712.	Spectator.	Ditto.
Claret	Aug. 28, 1712.	Ditto	Ditto.
Ship Spanish Merchant, 104 tons	Sep. 4, 1712.	Post Boy.	Ditto.
Claret	Oct. 18, 1712.	Spectator.	Ditto.
Arrack	Oct. 19, 1712.	Post Boy.	Ditto.
Wines	Nov. 16, 1712.	Ditto	Ditto.
The St. Quintin, a frigat, 340 tons	Nov. 20, 1712.	London Gazette	"Joseph Green, broker."
Brandy and wines	Nov. 22, 1712.	Post Boy.	"Thos. Tomkins, broker."
Wines	Dec. 6, 1712.	Daily Courant.	Ditto.
Ship St. Nicholas and cargo of oyl	Dec. 27, 1712.	Post Boy.	"Samuel Eyre, broker, who is to be spoken with every day on the Exchange, and before and after at Lloyd's Coffee-house."

The preceding tabular list of advertisements, spreading over fifteen years, may serve as a series of landmarks, in the absence of any other facts on record, to indicate the gradual development of Lloyd's coffee-house, from a general meeting-place of merchants, and place of sale for wines, spirits, and other articles, into an establishment more specially connected with shipping interests. In the course of the next fifteen years subsequent to 1712, during which the sales of ships and cargoes—a vast number of them advertised as "sold by order of the Court of Admiralty"—kept constantly increasing, the transactions connected with shipping came to predominate over all others, till finally they centred here, and Lloyd's coffee-house became the head-quarters of maritime business, including marine insurance. The period in which this took place is marked distinctly by the establishment of the still existing "Lloyd's List."

CHAPTER VI.

THE FIRST MARINE INSURANCE COMPANIES.

IT was a day pregnant with events affecting the whole course of European commercial and financial history, when, near the close of the seventeenth century, the son of an Edinborough goldsmith made his escape from the King's Bench prison of London, where he was detained after having been tried for murder at the Old Bailey and condemned to death, and succeeded in gaining the coast and the shore of France. The name of the escaped prisoner was John Law, and in personal appearance he was described in the "Hue and Cry" that went after him, graphically, if not flatteringly, as being "a black lean man, about six feet high, large pock holes in his face, big high nose, and speech broad and loud." The fugitive from justice, according to this description, was clearly not attractive outwardly, yet he attracted personages of the highest birth and rank, as scarcely ever was done by any man of his position. The convict from the Old Bailey, the "black lean man," high-nosed and loud-voiced, became the intimate friend and counsellor of the Regent of France, controller-general of the public exchequer of the kingdom, and originator of the most gigantic financial imposture recorded in the world's annals.

To peruse the details of contemporary sketches of the actions of nominally sane human beings during the prevalence of the Mississippi fever, stirred up by John Law in France, is like reading a romance, absolutely incredible, although vouched for by ever so many trustworthy eye-witnesses. The only explanation that seems possible of such doings as happened in France, when crowds kept turning in furious whirl around a group of needy speculators assembling in the Rue Quincampoix, Paris, is that not only individuals, but masses of people, and even whole nations, may suddenly turn mad. It appears undeniable that, if not during the whole of the years 1718 and 1719, when Law and his Mississippi Company ruled everything, at least during a portion of the time, while the fever of speculation was at its highest, reason had made abdication among the French, and madness reigned supreme. It was a disease that proved infectious, and leaving France it came to England. At the very time when the people of Paris slowly recovered their mental health, the people of London fell into lunacy. Closely in the wake of the gigantic Mississippi swindle followed the huge South Sea Bubble.

"I am tired of politics and lost in the South Sea," wrote Prior in the summer of 1720; "the roaring of the waves and the madness of the people are justly put together; it is all wilder than St. Anthony's dream." The founder of monachism certainly did not and could not see in his visions, in one group, half the number of devils, monsters, satyrs, and centaurs that were seen in the English metropolis, congregated within a very small space, during part of the year 1720. For a time, a number of the greatest scoundrels in England, usually either shut up in prison or hiding in obscurity, reigned in a blaze of triumph, while dupes and rogues marched arm in arm, everybody speculating wildly, seriously believing to be able to acquire wealth in a day by passing bits of paper from hand to hand. It is calculated that during the time that the South Sea mania lasted there were more than two thousand schemes set afloat, mostly in

the shape of joint-stock undertakings, the total representing a nominal capital of five hundred millions sterling, being, says a contemporary writer, "about five times as much as the current cash of all Europe."

Among the schemes there were many so absurd, although calling for millions, as seemingly designed to cast ridicule upon the whole; still they found admirers all the same amidst the prevailing feverish excitement. "From morning till evening," an eye-witness in Anderson's "Origin of Commerce," describes the scenes he saw in London, "the dealers in projects, as well as in South Sea stock, appeared in continual crowds all over Exchange Alley, so as to choak up the passage through it. Not a week passed without fresh projects, recommended by pompous advertisements in all the newspapers, which were now swelled enormously, directing where to subscribe to them. On some, sixpence per cent. was paid down; on others one shilling per cent.; and some came so low as one shilling per thousand at the time of subscribing. Some of the obscure keepers of those books of subscription, contenting themselves with what they had got in the forenoon, by the subscription of millions (one of which the author particularly well remembers) were not to be found in the afternoon of the same day, the room they had hired for a day being shut up, and they and their subscription books never heard of more. On others of those projects, two shillings and two shillings and sixpence per cent. was paid down; and on some ten shillings per cent. was deposited, being such as had some one or more persons of known credit to midwife them into the Alley. Some were divided into shares, instead of hundreds and thousands, upon each of which so much was paid down; and both for them and the other kinds there were printed receipts signed by persons utterly unknown. Persons of quality of both sexes were deeply engaged in many of these bubbles, avarice prevailing at this time over all considerations of either dignity or equity; the males coming to taverns and coffee-houses to meet their brokers, and the ladies to the

shops of milliners and haberdashers for the same ends. Any impudent impostor, whilst the delusion was at its greatest height, needed only to hire a room at some coffee-house, or other house near the Alley, for a few hours, and open a subscription book for something relative to commerce, manufactures, plantation, or some supposed invention, either newly hatched out of his own brain, or else stolen from some of the many abortive projects of others, having first advertised it in the newspapers the preceding day, and he might, in a few hours, find subscribers for one or two millions, or in some cases more, of imaginary stock."

Among the legion of schemes of all kinds brought forward during the prevalence of the mania, about a hundred related to insurance. The comparatively small number shows how little the subject was yet understood or appreciated, which is further proved by the oddity of some of the insurance projects. At the Crown tavern, Smithfield, a "subscription-book" was opened, for establishing "An insurance-office for horses dying natural deaths, stolen, or disabled;" at the Fountain tavern there was started "A co-partnership for insuring and increasing Children's fortunes;" at another place in the City subscribers came to put their names and money down for "Plummer and Petty's Insurance from Death by drinking Geneva;" and, again, at another place in Exchange Alley, an enterprising person, William Helmes by name, set up a well-patronized "Assurance of Female Chastity." Then there were started offices for "Assurance from lying;" for "Insurance from housebreakers;" for "Rum insurance;" for "Insurance from highwaymen," and numerous others, one more absurd than the other, but all finding friends and admirers.

Of schemes devoted to marine insurance, partly or entirely, there were very few, and these the most practical of any of this class of projects, a fact easily explained through its being the only practically established form of insurance. It was not likely, either, that mere bubbles would find favour among either insurers of ships or underwriters

of policies of insurance, and thus schemers in this direction found little scope for their work. The most notable projects that found their way among the public were five in number, three of which collapsed, while the last two got firm hold in the ground, and became great and flourishing institutions. The three projects, neither without merit, that perished, were a "Company for the Mutual Insurance of Ships," started at Sadlers' Hall; an "Office for Insurance from loss, by Garraway's Fishery," also known as "Crutchley's Office," for which subscriptions were opened at Jonathan's coffee-house; and a "Company for insuring ships and merchandise," with a capital of £2,000,000, started from the Marine coffee-house, a young rival establishment of Lloyd's. The vital power wanting in these projects went over to the other two, shaping itself into the form of the two still existing great companies, flourishing veterans of marine insurance, the "London Assurance Corporation," and the "Royal Exchange Assurance Corporation."

The first idea of starting these two companies arose long before the South Sea Bubble. As far back as 1716, a Mr. Billingsley, partner in the firm of Messrs. Bradly and Billingsley, solicitors, of Mercers' Hall, had launched a project called "the Public Assurance Office," to be incorporated "with one or two millions of capital." Mr. Billingsley succeeded in enlisting the support of a large number of London merchants and shipowners in his scheme, and on the 25th January, 1718, they presented a petition, signed by 286 names, to the government, praying for the grant of a charter of incorporation. The petitioners averred the necessity of establishing a "Company of Insurers with a joint stock of one million," on the main ground of the insufficiency of private energy and capital to carry on the business of marine insurance; many underwriters, it was stated, had failed, involving numbers in ruin, and the only remedy for such a state of things would be to form a corporate body sufficiently rich to protect from loss "his Majesty's good subjects and their families."

The project naturally caused great alarm to the underwriters, both those transacting business at Lloyd's and at private offices, and they immediately met, and got up a counter-petition to the government, which obtained 375 signatures, earnestly protesting against the establishment of a chartered marine insurance company. Such an institution, they declared, would not only create a monopoly, but lead to undue preference, and to delay and refusal in insuring ships at critical times, in stormy weather, and when ships might be missing. The underwriters of London, at the head of whose petition figured the name of Sir Gilbert Heathcote, were joined soon after in a similar petition by those of Bristol, who, repeating the arguments already put forward, declared their conviction that no company was required, the business of marine insurance being in a very satisfactory condition in England, and the premiums charged in London and Bristol lower than in any other parts of Europe.

In due course, the petition and counter-petitions received by the government were examined by the Lords Commissioners of Trade and Plantations, and handed over for reference to the Attorney-General and Solicitor-General, Sir Edward Northey and Sir William Thompson. The petitioners for and against the charter appeared before them by counsel, who spoke copiously on the subjects entrusted to them. In favour of the charter it was urged that a corporation could afford much lower rates than private underwriters; that there was greater expedition in its transactions, one subscriber doing the work of the many engaged in "the picking up of insurers here and there;" that it gave far greater security, in its million of subscribed capital, than the old system; and, finally—an argument that went to the hearts of the learned crown lawyers—that it offered increased facilities of instituting suits. On the last-named point the counsel for the petitioners dwelt strongly. The proposed corporation, they argued, would be "as one" against whom actions could be brought, "whereas if twenty or thirty are

joining in a temporary partnership to insure, each and every one must be named in a suit." To this the opponents of the corporation scheme replied that marine insurance, being a business requiring the exercise of great and manifold individual supervision and experience, could not possibly be carried on as well by a company as by a number of persons, each acting for himself and yet united for a common purpose. Another argument they put forward was that "if insurance of ships is necessary for foreign trade, and if the present method be not found inconvenient, there is no reason to set up a corporation for insuring." Finally, in answer to the boast of the petitioners, that the credit of a corporation was greatly more valuable than that of individuals, the counter-petitioners rather bluntly pleaded, "A corporation has no sense of shame."

The report of the Attorney-General and Solicitor-General, delivered after long deliberations, was adverse to the establishment of a marine insurance company. They laid stress upon the facts "that the business of insuring ships had always been carried on as it then was," that "there was no corporation in Europe for insuring ships;" and that "the making of an experiment in a thing of that sort, if it should be amiss, would be of the utmost consequence to trade." Consequently, they declared, they could not advise the erection of a corporation. The House of Commons having adopted these conclusions, the unlucky promoters of the scheme set to attack each other, as well as the crown officers, and very strong accusations being thrown out against the latter, it was deemed necessary that a Parliamentary investigation of the whole affair should take place. A number of persons, among them Sir William Thompson, accused the Right Hon. Nicholas Lechmere—Sir Edward Northey's successor in the Attorney-Generalship—of receiving large sums from the petitioners for the promised charter, and no less than twenty-five witnesses were brought forward to prove the bribery. Still the House of Commons was not convinced, and a resolution was passed that the charge

made was "malicious, false, scandalous, and utterly groundless," and that "the Right Honourable Nicholas Lechmere had discharged his trust, in the matters referred to him by his Majesty in Council, with honour and integrity."

At this stage of affairs, when the scheme of establishing a marine insurance company appeared utterly collapsed, it was taken up afresh by two distinguished members of the Upper House of Legislature, both speculators in projects. The first was Lord Onslow, elevated to the peerage in 1708, after having been Speaker of the House of Commons—uncle of the more celebrated "Speaker Onslow," who presided over the debates of the Commons for the unprecedented term of thirty-four years, from 1727 to 1761—and the second, Lord Chetwynd, a nobleman of ancient lineage but poor fortune, whose family estates in Shropshire were heavily encumbered. They united for the purpose of establishing, not one, but two marine insurance companies, and commanding great interest with the government of the day, they were successful in their aims.

Acting secretly in concert, but openly under a show of antagonism, the two noblemen brought their projects before Parliament, in the form of petitions, early in the session 1720. The petitioners headed by Lord Onslow were the same men previously engaged in the scheme of the "Billingsley Insurance," including Sir Justus Beck; while those under the leadership of Lord Chetwynd were a new body, containing some prominent City merchants, such as Sir William Chapman, but chiefly made up of the descendants of French Protestants, settled in London after the revocation of the Edict of Nantes. At the outset Lord Chetwynd kept more in the background than his co-operator, Lord Onslow, and the project which he patronized obtained the title of "Ram's Insurance," so called after Mr. Stephen Ram, whose name, in conjunction with that of Mr. James Colebrook, figured as banker on the subscription list. However, the secret of the double scheme gradually got known among City men—dwelling at the time in an atmosphere of

fever-heat, scores of new projects being started every day—and then the quotations of speculators ran openly for "Lord Onslow's Insurance," and "Lord Chetwynd's Insurance." The petitions for both projects were presented simultaneously, and were very similar. It was stated by the petitioners that "being sensible of the great security and many other advantages that accrue to trade by insuring ships and merchandize in corporations, and being themselves a very considerable part of the body of merchants on the Exchange of London and the persons that pay the premiums for such insurances," they "have entered into a voluntary subscription to raise a joint stock."

The amount to be raised differed in the two proposed companies, that of "Lord Onslow's Insurance" being fixed at one million and one hundred and fifty-two thousand pounds, and that of "Lord Chetwynd's Insurance" at two millions sterling. The most important part of the demand of both bodies of petitioners was not merely that of being allowed to establish a corporation, under a charter, but to obtain a monopoly, as a corporation, for insuring ships and merchandize, which claim, naturally enough, met with great opposition. Notwithstanding this, a Parliamentary committee reported favourably on the two projects, and they were openly taken under the protection of the leading men of the government. Many voices were raised in the House of Commons in opposition when the bill was presented authorizing the grant of a charter to the projected corporations, on the basis of restraining other companies, or joint-stock partnerships, from carrying on the business of marine insurance, and leaving it free only to individual underwriters. On all sides, there was a strong expression of opinion that the conferring of such a monopoly would be hurtful to the best interests of trade and shipping.

Fearing that their bill might be thrown out by the Commons, Lords Onslow and Chetwynd, powerfully backed by their political friends, hit upon a notable plan for carrying it. The finances of the country were in a somewhat dis-

ordered state, occasioned by the civil list being loaded with heavy debts which Parliament was greatly unwilling to discharge. Under these circumstances, the two noble lords openly proposed to the government of King George I. to pay the sum of £600,000 into the exchequer towards paying the debts of the civil list, each of the two undertakings represented by them guaranteeing one-half the amount, in return for both of them receiving a royal charter with grant of a monopoly of marine insurance. It was an open and undisguised bribe, but, as expected by the two noblemen, it found great favour in the eyes of the king, whose notions regarding the acceptance of gifts were well known to be latitudinarian in the extreme. Accordingly, on the 4th of May, 1720, there came a Royal message to the Lower House of Legislature, strongly recommending the faithful Commons to pass a bill, granting the desired charter to the two insurance undertakings represented by Lords Chetwynd and Onslow.

There was great opposition manifested in the House of Commons when the bill came on for discussion; however, the government had a powerful majority at its back, and the grant of the charter was secured by a large vote. The act that passed, 6 George I., cap. 18, giving to the two companies the exclusive right and monopoly, as companies, of insuring ships and their merchandize, enabling them likewise to undertake the business of fire insurance, obtained the royal assent on the 10th of June, 1720, and a fortnight after, on the 24th of June, 1720, there were issued the two charters of incorporation. Under them Lord Chetwynd started the "London Assurance Corporation," and Lord Onslow the "Royal Exchange Assurance Corporation."

The nominal justification for granting so important a monopoly as that of marine insurance to two new companies, appeared in the preamble of act 6 George I. cap. 18: "Whereas it has been found by experience," says the preamble, "that many particular persons, after they have received large premiums, or consideration monies, for or

towards the insuring of ships, goods, and merchandize at sea, have become bankrupts, or otherwise failed in answering or complying with their policies of assurance, whereby they were particularly engaged to make good, or contribute towards the losses which merchants and traders have substained, to the ruin and impoverishment of many merchants and traders, and to the discouragement of adventurers at sea, and to the great diminution of the trade, wealth, strength, and publick revenues of the kingdom ; and whereas it is conceived that if two several and distinct corporations, with a competent joint stock to each of them belonging, and under proper conditions, restrictions, and regulations, were created and established for assurance of ships, goods, or merchandize, at sea, or going to sea (exclusive of all or any other corporations, or bodies politick, already created, or hereafter to be created, and likewise exclusive of such societies, or partnerships, as now are, or may hereafter be entered in for that purpose), several merchants, or traders, who adventure their estates, or part of their estates, in such ships, goods, and merchandizes, at sea, or going to sea (especially in remote or hazardous voyages) would think it much safer for them to depend upon the policies or assurances of either of these two corporations, so to be erected and established, than on the policies or assurances of private or particular persons." After this preamble, the act goes on to authorize his Majesty to grant charters to the two specified corporations "for the insurance of ships, goods, and merchandizes, at sea or going to sea, and for lending money on bottomree."

The statute further enacts that each of the two companies may purchase lands to the amount of one thousand pounds per annum, may have a common seal, and may be capable to sue and be sued at law, and provides also that each company must have a sufficient "stock of ready money" to satisfy and discharge all "just claims" arising from losses of ships and merchandize insured in their policies. As regards the satisfaction of all "just claims," the statute provided

stringent remedies, ordering that if the companies should make refusal of payment, without good grounds, the insured parties should be entitled to recover *double* damages and costs. This latter clause in the statute was subsequently repealed as being harsh and oppressive, and for it was substituted another enacting that each of the two companies should be allowed to plead the general issue to any action brought against them, leaving the assessment of the damages to a jury, as in ordinary cases.

The grant of a monopoly of marine insurance, the most important feature in the charter of the "London Assurance Corporation," and the "Royal Exchange Assurance Corporation," was of the most exclusive kind, excluding all but private underwriters from becoming insurers in the future. "And be it enacted," ran the words of the statute, "that from and after the granting or making of the said charters, or indentures, for erecting the two corporations before mentioned, and passing the same under the great seal, for and during the continuance of the said corporations respectively, or either of them, all other corporations or bodies politick, before this time erected or established, or hereafter to be erected or established, whether such corporations or bodies politick, or any of them, be sole or aggregate, and all such societies and partnerships as now are, or hereafter shall or may be, entered into by any person or persons, for assuring ships or merchandise at sea, or for lending money on bottomree, shall, by force and virtue of this act, be restrained from granting, signing, or underwriting any policy, policy of assurance, or making any contracts for assurance, of or upon any ship or ships, goods, or merchandises, at sea or going to sea, and for lending any moneys by way of bottomree, as aforesaid. And if any company or body politick, or persons acting in such society or partnership (other than the two corporations intended to be established by this act, or one of them) shall presume to grant, sign, or underwrite, after the twenty-fourth day of June, of the year one thousand seven hundred and twenty,

any such policy or policies, or make any such contract or contracts for assurance of or upon any ship or ships, goods or merchandises, at sea or going to sea, or take or agree to take any premium or other reward for such policy or policies, every such policy and policies of assurance of or upon any such ship or ships, goods or merchandises, shall be *ipso facto* void, and all and every such sum or sums so signed and underwritten in such policy or policies shall be forfeited, and shall and may be recovered, one half to the use of his majesty, the other to that of the informer, by action."

It was further enacted by the statute, "that if any corporation or bodies politick, or persons acting in such society or partnership, other than the two corporations intended to be erected by this act, or one of them, shall presume to lend, or agree to lend or advance, by themselves or any others on their behalf, after the said twenty-fourth day of June of the year one thousand seven hundred and twenty, any money by way of bottomree contrary to this act, the bond or other security for the same shall be *ipso facto* void, and such agreement shall be adjudged to be an usurious contract, and the offenders therein shall suffer as in cases of usury. Nevertheless it is intended and hereby declared that any private or particular person or persons shall be at liberty to write or underwrite any policies, or engage himself or herself in any assurances of, for, or upon any ship or ships, goods, or merchandises at sea, or going to sea, or may lend money by way of bottomree, as fully and beneficially as if this act had never been made, so as the same be not on the account or risque of a corporation or body politick, or upon the account or risque of persons acting in a society or partnership for that purpose as aforesaid."

The monopoly granted to the "London Assurance Corporation" and the "Royal Exchange Assurance Corporation" was so extraordinary that it seems to have alarmed even the framers of the act of 6 Geo. I. cap. 18, inclined as they were to further the double scheme of Lords Chetwynd and Onslow. Accordingly, there were inserted in the act

several clauses, limiting and qualifying the exercise of the monopoly. One of the clauses provided for the termination of all the special privileges bestowed upon each of the two companies at any time, upon three months' notice being given by the government, on the condition that all sums paid into the Exchequer as "consideration" by the companies should be returned to them. Under another clause, still more stringent, power was reserved to the government to repeal the act of 6 Geo. I. cap. 18, without any notice whatever, at the expiration of thirty years from the grant, in case the privileges conferred should be found "hurtful or inconvenient to the public." To this was added the significant declaration that, should Parliament or the government deem fit to exercise this reservation of right, "there shall not be granted to the same corporation, or to any persons or corporations whatever, the like power, privileges, benefits, and advantages," which "shall remain suppressed for ever, as having been found inconvenient and prejudicial to the public."

The charters had scarcely been granted to the "Royal Exchange" and "London Assurance" companies, when they became liable to forfeiture. It was provided by the act that the "consideration" of £300,000 to be paid into the Exchequer by each company should be discharged by instalments, in the following manner. The sum of £100,000 was to be paid within one calendar month after the date of the charter, the 22nd of June, 1720; while further sums of £50,000 were to be paid in four subsequent instalments, within three, five, eight, and ten months after date, and it was enacted that on non-payment for thirty days of any of the instalments, the charter should become null and void. Both companies failed in their engagements with the government; and, acting in concert even in their failures, there was paid into the Exchequer, previous to the session of 1721, the sum only of £111,250, or little more than one-third of the stipulated amount, declaring, when called upon to discharge further instalments, that they were not able to fulfil their

contract, "by reason of the great pressure on public credit, and the great losses suffered by failure of the South Sea scheme." The latter reason given was no doubt true, for it was of general notoriety that the chief leaders and managers of the two companies, Lords Onslow and Chetwynd, were deeply engaged in the great bubble, and had hoped to raise their insurance institution upon it, or, as a quaint witness before a committee of the House of Commons investigating the subject expressed it, "to get a great estate at once by blowing up their stock." A comparison of dates adds to show the intimate connection between the great South Sea scheme and the two marine insurance companies.

The bill for the incorporation of the two joint-stock associations was laid before Parliament in March, 1720, and the act of incorporation passed on the 22nd of June following, and it was in the interval that South Sea stock rose to eight hundred per cent. Soon after Midsummer 1720, the stock suffered a temporary fall, in consequence of judicial interference with a number of bubble projects, which occasioned a short lull in the furious storm of speculation; but in July South Sea paper once more went up, on the promise of magnificent dividends, reaching the enormous figure of quotation of one thousand per cent. However, another severe decline of the stock came in August, and in the next month the bubble burst. This month, September, 1720, was the period fixed for the discharge of the second instalment of £50,000, and the payment could not be made. Hereupon the managers of the "Royal Exchange" and "London Assurance" companies got up another petition to Parliament, begging to be excused from making further payments. Under different circumstances, the demand of similar petitioners would scarcely have obtained a hearing, but it was otherwise in a case the springs of which rested on unseen forces in the highest quarters.

The influence of the two noblemen who had brought into life the "Royal Exchange" and "London Assurance" was so great, both in Parliament and with the existing govern-

ment—Lord Onslow notably commanding many votes in the House of which he had been the Speaker—that, only a year after the act of incorporation had been obtained, a new bill was passed, forgiving the two companies their debts on making their payments up to £150,000. This sum was ultimately received by the government in a number of instalments, the financial condition of the two chartered companies not allowing of an immediate discharge of the liability.

Both institutions, it turned out, had to pay not only dearly for gaining experience in marine insurance, but the London Assurance Corporation, possessed of a smaller capital than the sister company, was for a moment on the point of collapsing. One of the first ventures of this corporation was on a fleet of Jamaica ships, twelve in number, which proved a total loss in October, 1720, and was accompanied by others. "Owing to the pressure of these united misfortunes," says Malachi Postlethwayt, a contemporary writer, author of "The Universal Dictionary of Trade," "the London Assurance stock, on which only ten per cent. was paid at first, and which had risen to 160 per cent., or sixteen times the capital actually subscribed, fell in that month [October, 1720] to 60, and, other losses happening soon after, to 15 and even 12 per cent.; and towards the close of that year this promising company scarcely existed but in the complaints made by the proprietors against their directors." A couple of years elapsed before the London Assurance Corporation got over its difficulties; but from thenceforth both companies entered upon a prosperous career, not interrupted to this day. It was stated before the Parliamentary committee upon marine insurances sitting in 1810, that in the early period of their existence the two chartered companies had between them about one-tenth of the total marine insurance business done in London, the other nine-tenths being in the hands of private underwriters, mainly those assembling at Lloyd's coffee-house.

The establishment of the two corporations, with their

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privileges, gave great offence to the whole body of private underwriters, who looked upon the grant of the monopoly obtained from Parliament as an altogether unjustified proceeding, and one specially directed against them and the exercise of their legitimate business. It was but natural that they should feel great dissatisfaction, seeing the grave accusation thrown out against them in the preamble of the act granting the charter of incorporation, which recited that "many particular persons, after they have received large premiums or consideration monies, for or towards the insuring of ships, goods, and merchandizes at sea, have become bankrupts, or otherwise, in answering or complying with their policies."

The accusation formulated in the last sentence was based upon evidence laid before the House of Commons by the Attorney-General, to the effect that within two years previous to the grant of the charter to the two corporations the number of "private insurers" who had failed to meet their engagements amounted to no less than one hundred and fifty. The number seemed formidable enough, but in reality the charge sprang, if not from a *suggestio falsi*, from a *suppressio veri*. It turned out on investigation that although a large number of persons, perhaps amounting, on the whole, to a hundred, had failed to meet their engagements in subscribing policies of insurance, the great mass of these so-called insurers of "ships, goods, and merchandize at sea," consisted of individuals who had taken risks of not more than £50 each. In fact, the defaulters proved mere outsiders, chiefly clerks of merchants engaged in the shipping business, not recognized at all as "underwriters," and probably not admitted either to Lloyd's coffee-house, or any other respectable place where men of substance congregated to set their names to policies of insurance. This having been proved, the charge of the Attorney-General fell to the ground, and with it the accusation embodied in the preamble of the act of Parliament of 1720.

That the accusation had been falsely made, was recognized

on several occasions in the House of Commons, which did much to allay the ill feeling that had sprung up among private insurers against the two chartered companies. It was not long, either, before it came to be recognized in Lloyd's coffee-house that the monopoly conferred upon the London Assurance Corporation and the Royal Exchange Assurance Corporation acted in its nature as a protection of the private underwriting interest against the possible competition of a host of marine insurance companies. While such companies sprang up in numbers in other countries, their growth was stopped in England by the act of 1720. The act, indeed, proved one of the foundation-stones of the greatness of Lloyd's.

CHAPTER VII.

LLOYD'S LIST.

THERE is no evidence to show that for the greater part of the eighteenth century, Lloyd's coffee-house was anything else but a free meeting-place for merchants and underwriters, they assembling at their choice, without being bound together by any rules, or acting under any organization. The picture of the coffee-house as given, in rough outline, in two papers published in Steele's "Tatler" and Addison's "Spectator" during the years 1710 and 1711 remained true, probably, for a generation and longer. The description in the "Tatler" exhibits the coffee-house as a place for auctions, such as were enumerated in a preceding chapter. Sir Richard Steele, writing "from my own apartment" on Christmas-day, 1710, in the "Tatler," No. 268, informs his readers that "coming home last night, I found upon my table the following petition, or project, sent me from Lloyd's coffee-house, in the city, with a present of port-wine, which had been bought at a late auction in that place." He then gives the pretended petition, addressed to "Isaac Bickerstaff, Esq., censor of Great Britain," from "Lloyd's Coffee-house, Lombard Street," which, though chiefly an attack upon stump orators, furnishes also some curious glimpses of the doings of the visitors meeting at the establishment of Mr. Edward Lloyd.

"We, the customers of this coffee-house," the petition runs, "observing that you have taken into your consideration the great mischiefs daily done in this city by coffee-house orators, do humbly beg leave to represent to you that this coffee-house, being provided with a pulpit for the benefit of such auctions that are frequently made in this place, it is our custom, upon the first coming-in of the news, to order a youth, who officiates as the Kidney [waiter] of the coffee-house, to get into the pulpit and read every paper with a loud and distinct voice, while the whole audience are sipping their respective liquors. We do, therefore, Sir, humbly propose that there be a pulpit erected within every coffee-house of this city and the adjacent parts." So much for the coffee-house in Lombard Street and its "pulpit," which, it would seem, was a speciality of Lloyd's. The editor of the "Tatler" finishes by saying, "I do heartily concur with my ingenious friends of the above-mentioned coffee-house in these their proposals," adding his recommendation that "until such time as the aforesaid pulpits can be erected, every orator do place himself within the bar."

The paper in Addison's "Spectator," No. 46, dated April 23, 1711, referring to Lloyd's Coffee-house, adds a few interesting touches to the general description of the place and its "pulpit," by Sir Richard Steele. Addison begins by saying that he is in the habit of noting down and carrying about with him a "whole sheetful of hints," being "speculations in the first principles, that, like the world in its chaos, are void of all light, distinction, and order." The writer then goes on:—"About a week since there happened to me a very odd accident, by reason of one of these my papers of minutes, which I had accidentally dropped at Lloyd's coffee-house, where the auctions are usually kept. Before I missed it, there were a cluster of people who had found it, and were diverting themselves with it at one end of the coffee-house. It had raised so much laughter among them before I had observed what they were about, that I had not the courage to own it. The boy of the coffee-house,

when they had done with it, carried it about in his hand, asking everybody if they had dropped a written paper; but nobody challenging it, he was ordered by those merry gentlemen who had before perused it to get into the auction-pulpit, and read it to the whole room, that if anyone would own it they might. The boy accordingly mounted the pulpit."

After giving the contents of his "sheetful of hints," truly, as he calls it, "a rhapsody of nonsense," the writer goes on with his sketch of the visitors at Lloyd's. "The reading of this paper," he says, "made the whole coffee-house very merry: some of them concluded it was written by a madman, and others by somebody that had been taking notes out of the 'Spectator.' One who had the appearance of a very substantial citizen, told us, with several political winks and nods, that he wished there was no more in the paper than what was expressed in it; that for his part he looked upon the dromedary, the gridiron, and the barber's pole, to signify something more than was usually meant by those words; and that he thought the coffee-man could not do better than to carry the paper to one of the secretaries of state. He further added that he did not like the name of the outlandish man with the golden clock in his stockings. A young Oxford scholar, who chanced to be with his uncle at the coffee-house, discovered to us who this Pactolus was, and by that means turned the whole scheme of this worthy citizen into ridicule. While they were making their several conjectures upon this innocent paper, I reached out my arm to the boy who was coming out of the pulpit to give it me, which he did accordingly. This drew the eyes of the whole company upon me; but after having cast a cursory glance over it, and shook my head twice or thrice at the reading of it, I twisted it into a kind of match, and lighted my pipe with it. My profound silence, together with the steadiness of my countenance, and the gravity of my behaviour during this whole transaction, raised a very loud laugh on all sides of me; but as I had escaped all suspicion of being the

author, I was very well satisfied, and applying myself to my pipe and the 'Postman,' took no further notice of anything that passed about me."

The "auction-pulpit" at Lloyd's had grown, as shown in a preceding chapter, greatly into requisition in the sale of ships, and of goods brought by sea, at the time Steele and Addison wrote their letters, and the business thus established continued to extend thenceforth from year to year, judging by numerous advertisements in the papers of the period. Still this alone would have scarcely led to the success and fame which Lloyd's Coffee-house was destined to achieve, and it required the concurrence of other means to accomplish it. The principal of these means was the establishment of "Lloyd's List." It took place in 1726, which year must form an epoch in the history of Lloyd's, as being the visible starting-point of the great institution bound-up indissolubly with "Lloyd's List," and the system it represents of collecting and distributing news relating to ships and shipping.

There are unfortunately not now, as far as extensive searches have been able to show, any copies of the earlier numbers of "Lloyd's List," in existence, and in their absence and that of other documentary evidence, its origin can only be conjectured. It appears highly probable that "Lloyd's List" was started by Mr. Edward Lloyd, for not only do the oldest numbers now to be found bear in size and outward appearance the greatest resemblance to the "Lloyd's News" of 1696-97; but even the type and general arrangement of matter are the same as that of the previous paper launched by the able and energetic "coffee-man," but which found an untimely end after the publication of seventy-six numbers. "Lloyd's News," as before stated, was published thrice weekly, on Tuesdays, Thursdays, and Saturdays; and, as if to make the venture less considerable, and decrease the risk of renewed failure, "Lloyd's List" was issued at the outset only on the first of these days, the Tuesday. It was not long before it was found that this

was insufficient to satisfy the appetite for information of the frequenters of the coffee-house, and thereupon the publication was made bi-weekly, the "List" appearing on Tuesdays and Fridays.

The best, and indeed only, collection of copies of "Lloyd's List" at present to be found, is in the library of Lloyd's in the Royal Exchange, the earliest volumes representing a valuable gift, made a few years ago by the ancient rival, and now friend and neighbour of Lloyd's, the London Assurance Corporation. The oldest volume in this collection begins with 1740, in which year Edward Lloyd was no more, as shown by a paragraph in the "Gentleman's Magazine" for March, 1740. "Mr. Baker, Master of Lloyd's Coffee-house in Lombard Street," it is stated, under date March 11, "waited on Sir Robert Walpole, with the news of Admiral Vernon's taking Portobello. This was the first announcement received thereof, and proving true, Sir Robert was pleased to order him a handsome present." The little notice proves that already at this time the underwriters were possessed of an intelligence department of their own, far superior to that of the government, the latter being dependent now, as long after, upon news "posted at Lloyd's."

In the long row of leather-encased folios, bearing the impress of fire as well as great age—the former obtained in the great conflagration that destroyed the Royal Exchange—the first number of the oldest volume is marked 560, and dated Friday, January 2, 1740. At the head of this, and of all the succeeding numbers, for many years, there stands prominently on the front page, immediately after the date, the following note:—

"This List, which was formerly publish'd once a Week, will now continue to be publish'd every *Tuesday* and *Friday*, with the Addition of the Stocks, Course of Exchange &c.—Subscriptions are taken in at Three Shillings per Quarter, at the Bar of *Lloyd's* Coffee-House in *Lombard-Street.*"

"Such Gentlemen as are willing to encourage this Undertaking shall have them carefully deliver'd according to their Directions."

All the numbers of "Lloyd's List" in the earlier years from and after 1740, consist of but one leaf of two pages, precisely of the same size as the "Lloyd's News" of 1696-97, the page measuring 12 inches in length by 7½ inches in breadth, with printed matter filling a space of 10½ inches long by 5¼ inches broad. Each page is, to some extent, complete by itself, the first, or front page of the leaf, containing the rates of London exchange on a number of foreign markets, with the prices of the principal stocks, government annuities, and similar information, and the second or back page being devoted solely to shipping intelligence. The rate of exchange is given on Amsterdam, Rotterdam, Antwerp, Hamburg, Paris, Bordeaux, Cadiz, Madrid, Bilbao, Leghorn, Genoa, Venice, Naples, Lisbon, Oporto, and Dublin, in the order here enumerated. At the side of the exchanges stand the prices of gold and silver, in coin and bars, gold being quoted at prices varying from £3 18*s.* 1*d.* to £3 18*s.* 4*d.* per ounce, and silver at from 5*s.* 7*d.* to 5*s.* 9*d.* per ounce. Underneath stands, very conspicuous, the current price of cochineal, largely dealt in at the sales at Lloyd's coffee-house, and the quotations of which run from 15*s.* 6*d.* to 15*s.* 10*d.* per pound. Then come the price of stocks—Bank stock being quoted at from 136 to 140; East India stock from 155 to 160; and South Sea stock from 102 to 108.

The prices of the shares of the two chartered insurance companies of 1720 are likewise given in every number of "Lloyd's List." They show very little variation during the whole of the years 1740 and 1741, the shares of the Royal Exchange Assurance Corporation, marked "£100 paid in," being quoted at from 89 to 90, and those of the London Assurance Corporation, marked "£12 10*s.* paid in," being quoted at from £10 10*s.* to £11. Thus it seems that as yet, after an existence of twenty years, the two companies,

notwithstanding their monopoly of marine insurance, had not arrived at a state of prosperity which allowed their shares to be dealt with at par. The principal other quotations are those of the stock of the Million Bank—established 1695, on a capital of half a million, and deriving its name from being connected with King William's million lottery—the prices of which are given from 110 to 115; and of "Lottery tickets," showing variations in prices at from £8 to £18. Finally, at the bottom of the front page of the "List" are, besides notices of the closing of transfer books, and days for dividends, the times of high water at London Bridge, "from Mr. Flamstead's correct Tide-Table." The "Mr. Flamstead" here mentioned, can scarcely refer to any other person than the celebrated John Flamsteed, first astronomer royal of England—at a salary of one hundred pounds a year—the friend of Isaac Newton, and author of the "Historia Cœlestis."

"Mr. Flamstead's correct Tide-Table" appropriately leads the way from the front to the back page of "Lloyd's List." This back page bears the heading "The Marine List," and is entirely filled with short pieces of news concerning the arrivals and departures of ships at various ports, as well as of accidents to vessels, the latter contained in a few paragraphs, filling generally a quarter, or sometimes a third, of the second column of the page, arranged under the sub-title of "Ship News." The places from which arrivals or departures are announced are in two divisions, the second of which is headed "Irish and Foreign Ports." Under the first division stand from twelve to eighteen ports, or stations, in the successive numbers of the "List," the names comprising, in the order here given, Gravesend, "Lenstoff," Yarmouth, "Leverpool," Newcastle, Leith, Greenock, Whitehaven, Bristol, Penzance, Falmouth, Dartmouth, Poole, Cowes, Southampton, Portsmouth, Dover, and the Downs.

The news-transmission from all the English ports to

"Lloyd's List" is fairly good, considering the state of postal communication at the time. Thus Gravesend sends its news generally in a day or two; Bristol in from two to three days; Falmouth in three, and Cowes and Southampton in from one to two days, taking the date before the day of publication of the "List." More behind in the intelligence department are the Scottish ports, news from Leith taking eleven, and from Greenock fifteen days to get into print, while the reports under the heading of "Irish and Foreign Ports" are slowest of all in arriving. The entries under this last category are very few in all the earlier numbers of "Lloyd's List." Sometimes there are but a couple of Irish ports, generally Dublin and Cork, together with Lisbon—always largest in number of ships entered—referred to in the "List," and there are seldom more than eight or nine altogether, the names including Leghorn, Cette, Oporto, Bremen, Hamburg, and Gottenburg, and sometimes, but rarely, New York. From Lisbon, the reports, scarcely ever missing, come in about a week, and from Leghorn and Cette in twelve days; but from Hamburg they are generally more than a fortnight, and from New York a good two months in coming. Voyages across the Atlantic indeed were tedious affairs at the time, to judge from a paragraph under "Ship News" in No. 565 of "Lloyd's List," dated January 20, 1720. The paragraph states that a vessel, not named, under "Captain Higgins, from Dublin for Philadelphia, having been 20 Weeks and 4 Days out of Dublin, the Captain quitted the Vessel 100 Leagues from the Cape Delaware for want of Provisions, and went on board the Baltimore, Gamble, bound for Glasgow."

There are many curious and interesting paragraphs under the heading "Ship News" in the "Lloyd's List" of the years 1740 to 1745, telling of the wars of England against Spain and France—the declaration of the first of which, received with the utmost joy in the city of London, made Sir Robert Walpole utter his famous words, "They may ring their

bells now; they will be wringing their hands before long." In "Lloyd's List," No. 568, dated January 30, 1740, it is reported that "The Gothick Lyon, Moreen, on her passage from Leghorn to Marseilles was attack'd by two Spanish Privateers off Thoulon, and in the Engagement blew-up and all on board perish'd." In No. 571, under date February 10, 1740, there is the announcement, "The Charles and Molly, Porier, from Cork for Philadelphia, was taken by a Spanish Privateer, 40 Leagues to the Westward of Ireland and carried into St. Sebastian." In No. 573, February 17, 1740, there are two similar paragraphs, the first running, "The Elizabeth, Harmen, from the Canary Islands for Dunkirk, was taken by a Salleeman near Oratava, the Captain and Crew escaping in their boat;" and the second, "The Thomas, Murray, from Leverpool to Oporto, was taken the 13th ult. 76 Leagues South West from Scilly by a Spanish Privateer." There are three notices to the same effect in No. 588, April 17, 1741, the first, "The Wilmington, Bulmer, with Fruit from Smyrna, was taken by a Spanish Privateer, not far from Scilly;" the second, "The Industry, Cobb, from Lynn, for Oporto, was taken by a Spanish Privateer and carried into Figueras;" and the third, "The Ellen, Raoul, from London for Oporto, was taken by a Spanish Privateer and carried into Vigo."

In the next following number of "Lloyd's List," dated April 24, 1741, there is the announcement of a whole batch of English ships captured by the enemy. "A Sloop," the report runs, "supposed to be the Britannia, Dent, from Cork for Genoa, with Pilchards; a Ship from London for New York in Ballast; one with Wool and Wax from Barbary; Talemachus, Austen, from Leghorn, with Oil for London; one with Pitch and Tar from New England; the Carbonier, Pike, from Pool for Newfoundland, with 35 Fishermen on board, were all taken near the Channel by Two Spanish Privateers and carried into St. Sebastian." By the time reports such as these came to be published in "Lloyd's List," there must have been a good deal of Sir

Robert's predicted "wringing of hands" in the City, and more particularly in the coffee-house at the corner of Abchurch Lane and Lombard Street.

In the first four months of the year 1740-41—No. 583 of "Lloyd's List" is inscribed March 24, 1740, and No. 584 is dated March 27, 1741—there are no other notices referring to the war, but of English ships taken by the enemy; but announcements of a more pleasing kind come gradually afterwards, with the increased activity of the fleet and organization of convoys for merchantmen. In No. 595, May 15, 1741, it is reported, "His Majesty's Ship Rupert, Captain Ambrose, took a Spanish Privateer of 150 tons, 150 men, and 20 Guns the 4th of May about 41 Leagues South West from Scilly;" and the next number gives account of the capture of another privateer. In No. 606, June 23, 1741, the announcement is made: "The Fame, Captain Harris, arrived in the Downs from Leghorn; sailed from Gibraltar with the Turkey and Leghorn Fleet, and left them the 8th Instant, 40 Leagues West of Cape St. Vincent; Admiral Haddock convey'd them so far and then left them under Convoy of the St. Albans, Captain Larke, and a sixty-gun ship: all well."

During this period, notwithstanding the protection of men-of-war, the losses of English vessels still continued very great. Thus in the next number of "Lloyd's List" it is stated, "The Hannah Snow, Benjamin Stout, from New England to Jamaica, was lately taken by a Spanish Privateer, and carried into Puerto Rico;" and this announcement is followed by another, "The Dewitza-Katherina, Captain Mittina, a Rushian Ship from London to Viana, has been taken by a Spanish Privateer, on a Charge of having British Effects on board and carried into Vigo." In August, the report comes, "The Phoenix, Buckly, from London for Gibraltar, with 70 Recruits, was taken by Two Spanish Rowboats, each having about 30 Men, and carried into St. Martin's, in Portugal, where the English were hurried ashore;" and immediately after, "The Priscilla,

Cable, from Leverpool for Antigua, was taken by a Spanish Privateer of 12 Guns and 105 Men, and carried into St. Sebastian; a Ship from Carolina for England is also said to have been taken. In No. 626, September 1, 1741, the announcement is made, "The Leeds Merchant, Bell, from Hull, for Petersburg, is carried into Gottenburg by the Swedes; the Tuscan, Martin, and the India Merchant, Read, both from London to Petersburg and Leghorn, are also said to have been taken by the Swedes."

Fuller than any of disastrous "Ship News" is No. 643 of "Lloyd's List," dated November 3, 1741, which contains about a column full, sent in, as it seems, by one correspondent. "The 11th of October the Elizabeth, Brown, a Schooner laden with Salt, Fruit and Wine, from Lisbon to Cork; on the 12th ditto the Three Brothers, Lacuta, a Snow with Fish from Newfoundland for Jersey; on the 13th ditto the Rose, Montgomery, a Galley with Salt, Fruit and Wine, from Lisbon for Cork; on the 14th ditto, the Careful Bridget, Brown, a Sloop with Butter, from Cork for Lisbon; on the 15th ditto, the Dolphin, Luce, a Snow belonging to Jersey, with Fish and Oil from Newfoundland for Pool, were all taken by a Spanish Privateer, commanded by Captain Pedro Xavedo, mounted with 14 Guns and as many Swivels, and 125 Men. The Success, Brooks, from Lisbon for Cork, and the Ann and Elizabeth, Culinan, from Cork for Lisbon, are both taken by the same Spanish Privateer that took the five ships above mentioned. The Swan Schooner, Lester Falkner, from St. Kitts to Philadelphia, was taken by two Spanish Privateers the 3d of August, and in a few Days after the Spaniards gave them a Prize Snow called the James, John Orr late Commander, taken in her Voyage for Cape Fare. The Hibernia, Ewer, has been taken in her Voyage from Barbadoes for Virginia. The Sarah, Brooks, and the Ann and Elizabeth, from Lisbon for Cork, have been taken and carried into St. Sebastian." The whole of the matter here quoted is in the form of a letter, dated Pool, October 31, which, unlike

former paragraphs, containing "Ship News," bears evidence of coming from a person specially appointed to give information to "Lloyd's List." It was probably the commencement, and is certainly the earliest trace, that can be found of the great institution of "Lloyd's Agents."

In the library of Lloyd's at the Royal Exchange, the years 1741-42 and 1742-43 of "Lloyd's List" are wanting, the first number of the next oldest volume being marked 848, and dated Tuesday, January 3, 1743. The numbers now, for the first time, have a printer's name attached. At the bottom of the front page stands, in conspicuous type: "Printed by Luke Hinde in George-Yard, Lombard-street, where Broker's Catalogues &c. are carefully printed with Expedition." Number 870 of this year is dated Tuesday, March 24, 1743, and number 871, Friday, March 27, 1744, the year changing precisely as in 1740-41. During the whole of this year, as well as the next, the "Ship News" column contains little else but reports of captures of French and Spanish vessels by the English fleet, and of English ships seized by Spanish and French privateers, the former events now far predominated. In No. 857, dated February 3, 1743, it is reported:—"The Baltic Fleet, consisting of Two Men of War and 37 Merchant Ships arrived at Lisbon the 18th of January N.S.;" and thenceforth there appear for about a twelvemonth but few losses of vessels, either outward or home-bound, all being protected apparently by convoys, and the English coast well protected by cruisers. In No. 875, April 10, 1744, the report appears:—"The Sapphire Man-of-War has taken off Ostend a Galliot from Dantzick for Dunkirk, with 210 Polish Recruits for the French King, and brought her into the Downs."

With the Channel under strict watch, it appears to have become difficult, about this time, for the enemy's privateers, bold as they were, to take prizes home with them from a distance, and therefore a system of ransoming was resorted to by them, of which many instances are reported, as in No. 878, of

"Lloyd's List," date April 20, 1744, where it is announced: "The Ellen and Mary, Simmons, of and for Leverpool, was taken by a Spanish Privateer near the Elbe, but is ransomed by the Master for 470 Guineas." One of the well-known exploits of Lord George Anson, cruising about the Spanish Main in the famous "Centurion," is chronicled in a short paragraph in No. 894, June 15, 1744: "Commodore Anson," it is announced, "is arriv'd at Spithead, with 200 Men, and has brought with him an Acapulco Ship, which has on board one Million Dollars; she is computed worth £500,000." There is an extraordinary piece of English pluck recorded immediately after, in the same number of "Lloyd's List." "A small Vessel," the report runs, "from Yarmouth for Rotterdam, of 2 Carriage and 4 Swivel Guns, 5 Men and a Boy, Richard Hornby Master, was attack'd, on the Coast of Holland, by a French Privateer of 10 Guns and 70 Men; they engaged four Hours, and repuls'd the French in three several Attempts to board her: at last a lucky Shot from the brave Yarmouth Men set fire to the Privateer's Powder-Room, and blew her and her Crew into the Air."

Of Lord George Anson there are frequent notices subsequently, his crowning deed, the capture of the French fleet bound with convoy for the East Indies, near Cape Finisterre, being announced in No. 1198 of "Lloyd's List," dated May 19, 1747, the report duly giving the list of names, with number of guns and crews, of all the foreign men of war "brought into Portsmouth." Among the prizes were the two first-class men of war, "L'Invincible" and "La Gloire," the handing over of which caused the wonderfully neat speech of the French commander, who, laying his sword at the feet of Anson, exclaimed, "Monsieur, vous avez vaincu l'Invincible, et la Gloire vous suit."

The "Ship News" of "Lloyd's List," after the conclusion of the great naval war, diminish in length as well as interest, the space occupied by them frequently amounting to barely a quarter of a column. On the other hand, the

reports of arrivals and departures of vessels from various ports increase after the war, showing a gradual extension of communications, many of them bearing evidence of being sent by fixed agents. It is probable that "Lloyd's List"—longer in existence now than any other paper, except the "London Gazette"—must have been a commercial success early in the second half of the eighteenth century; nevertheless, just about this period its continuation was placed in jeopardy by a new element that had sprung up in the Lombard Street coffee-house. At the side of the underwriters and of the merchants engaged in legitimate trade who had made it their habitual resort, there came to intrude themselves adventurers of all kinds, some of them speculating in hazardous schemes, and others mere gamesters. As yet the door of Lloyd's was open to all who chose to enter it, no membership, or formalities of any kind being exacted, and as the evil of bad companionship grew, it became a serious question for the respectable visitors of Lloyd's to separate themselves from the rest. What the aspect of the coffee-house had come to be some time after the accession of George III. may be gathered from a semi-satirical article which appeared in the "London Chronicle" in 1768.

"The introduction and amazing progress of illicit gaming at Lloyd's coffee-house," says the writer in the London Chronicle, "is, among others, a powerful and very melancholy proof of the degeneracy of the times. Though gaming in any degree is perverting the original and useful design of that coffee-house, it may in some measure be excusable to speculate on the following subjects: Mr. Wilkes being elected Member for London, which was done from 5 to 50 guineas per cent.; Mr. Wilkes being elected Member for Middlesex, from 20 to 70 guineas per cent.; Alderman Bond's Life for one year, now doing at 7 per cent.; on Sir J. H. being turned out in one year, now doing at 20 guineas per cent.; on John Wilkes's Life for one year, now doing at 5 per cent.; N.B. Warranted to remain

in prison during that period—on a declaration of war with France or Spain in one year, 8 guineas per cent. But when policies come to be opened on two of the first Peers in Britain losing their heads at 10*s.* 6*d.* per cent., and on the dissolution of the present Parliament within one year at 5 guineas per cent., which are now actually doing, and underwritten chiefly by Scotsmen, at the above coffee-house, it is surely high time to interfere."

Another sketch of Lloyd's coffee-house at the same period is given in a pamphlet entitled "Every Man his own Broker," by a writer evidently well acquainted with the place. "Another manner of spending the vacation formerly," says he, "was in insuring the lives of such unfortunate gentlemen as might happen to stand accountable to their country for misconduct. I am not willing to disturb the ashes of the dead, or I could give an account of this cruel pastime, the parallel of which is not to be met with in the instance of any civilized nation; but I hope we shall hear no more of such detestable gaming; therefore, as a scene of this kind fully laid open might astonish, but could not convey instruction, humanity bids me draw the veil, and not render any set of men unnecessarily odious. A practice likewise prevailed of insuring the lives of well-known personages, as soon as a paragraph appeared in the newspapers announcing them to be dangerously ill. The insurance rose in proportion as intelligence could be procured from the servants, or from any of the faculty attending, that the patient was in great danger. This inhuman sport affected the minds of men depressed by long sickness; for when such persons, casting an eye over a newspaper for amusement, saw their lives had been insured in the Alley at 90 per cent., they despaired of all hopes, and thus their dissolution was hastened. But to the honour of the principal merchants and underwriters, they caused an advertisement, some years since, to be fixed up at Lloyd's coffee-house, declaring that they would not transact business with any brokers who should be engaged

in such infamous transactions." The writer then goes on to denounce "sham insurances, that is to say, insurances without property on the spot," and dwells upon what "a fine field this opens for spreading false reports, and making private letters from the continent," a work, it seems, in which very high personages were not ashamed to engage. "It is a well-known fact," he says, "that a certain ambassador insured £30,000 on Minorca in the war of 1755, with advices at the same time in his pocket that it was taken."

The "principal merchants and underwriters," referred to in the preceding extract, were not long in discovering that "an advertisement fixed-up at Lloyd's Coffee-house" was quite insufficient to put a stop to disgraceful proceedings, and a meeting having been called together, it was decided they should form themselves into a society, held together by fixed rules, under which none but persons of good repute could be admitted. To carry out this resolution, the only difficulty was the possession of "Lloyd's List," for which there was a short struggle, which left its marks in the pages of the paper. In No. 3460 of "Lloyd's List," dated Tuesday, 21 March, 1769, there appears the following notice, at the bottom of the front page: "The Marine List and Course of Exchange will be printed and deliver'd, on Tuesday next the 28th Instant continued under the name of 'New Lloyd's List,' which will be carefully deliver'd: And the Quarter due at Lady-day is desired to be continued." This notice appears once again in the next number, and then ceases, the project for the "New" Lloyd's apparently dropping to the ground. But the dissensions do not seem to have ceased all at once, for in No. 3465, dated Friday, 7 April, 1769, there is a fresh notice, at the bottom of the front page, as follows: "Notwithstanding any Reports to the contrary, the Post-Masters General have been so kind to promise the Continuance of the Ship News to Lloyd's Coffee-house in Lombard Street, and the Marine List and Course of Exchange will therefore be published every

Tuesday and Friday as usual." This notice is continued till October 2, 1770, after which it appears slightly varied. Instead of "have been so kind to promise the Continuance," the sentence runs "have been so kind to continue the Ship News," the alteration, which evidently refers to a *fait accompli*, appearing for the first time on the 5th of October, 1770. Soon after this date the underwriters and brokers, united under the name of Lloyd's, and possessed of "Lloyd's List," removed for a short time from Lombard Street to Pope's Head Alley, from which temporary quarters they went, a few years after, to the Royal Exchange, setting up there on a permanent footing the great institution which has flourished ever since on the same spot, growing from generation to generation, and making the name of the old "coffee-man" a household word all over the world.

CHAPTER VIII.

GROWTH OF THE LAW OF MARINE INSURANCE.

THE codification of laws and statutes of any kind not being in the genius of the English people, the nation, unlike other seafaring races preceding it as masters of the ocean, not only never possessed a code of marine insurance, but it was long before even the simplest rules concerning the subject were admitted as law-giving in judicial decisions. There is no record of any trial affecting questions of marine insurance earlier than the end of the sixteenth century, and the report of this first action, which occurred in the 31st year of the reign of Queen Elizabeth, shows that at this period the judges were unacquainted with even the nature of insurance contracts. Whether it was owing to this judicial ignorance, or to other causes, actions continued very rare for more than half-a century afterwards, the total number from the reign of Queen Elizabeth till the year 1756, when the Earl of Mansfield became Lord Chief Justice, not exceeding three score, as far as reported. It was mainly the eminent judge here named who, after devoting himself assiduously and earnestly to the study of the principles of the subject, and their application in other countries, laid, in numerous decisions, the basis of what came to serve, in default of an actual code, as a law system of marine insurance.

Referring to the labours of Lord Mansfield, Mr. Justice Blackstone remarks, in his celebrated Commentaries: "The learning relating to marine insurances has of late years been greatly improved by a series of judicial decisions, which have now established the law in such a variety of cases, that, if well and judiciously collected, they would form a very complete title in a code of commercial jurisprudence." Acting on this recommendation, Mr. James Allan Park, an eminent barrister of Lincoln's Inn, undertook, in 1780, the collection of the whole "series of judicial decisions" up to this date, and published them in 1786, with a dedication to Lord Mansfield, who revised the work, under the title of "A System of the Law of Marine Insurances." Notwithstanding many later publications, some by distinguished authors, Mr. Park's "System" is to this day admitted the standard book on the law of marine insurance.

In Mr. Park's great work the law of marine insurance is explained under various headings, each one exhausting a definite division forming part of the whole; and this arrangement is so comprehensive as not to be easily liable of improvement, and will therefore be followed here in treating of the subject. The first division naturally offering itself is regarding the policy of insurance. "Policy," as laid down by Mr. Park, "is the name given to the instrument by which the contract of indemnity is effected between the insurer and insured, and it is not, like most contracts, signed by both parties, but only by the insurer, who on that account, it is supposed, is denominated an underwriter. Notwithstanding this there are certain conditions to be performed as well by the person not subscribing as by the underwriter, otherwise the policy will be void."

"Of policies," says Mr. Park, "there seem to be two kinds, 'valued' and 'open' policies, and the only difference between them is this, that in the former goods or property insured are valued at prime cost, at the time of effecting the policy, while in the latter the value is not mentioned. Thus in the case of an open policy the value must be proved; in

a valued policy it is agreed, and is just as if the parties had admitted it at the trial. Although policies of assurance are not to be ranked with special contracts, not being under seal, yet they have always been held as sacred agreements, and of the first credit; so much so that when once they are underwritten they can never be altered by any authority whatever, because this would open a door to an infinite variety of frauds, and introduce uncertainty into a species of contract of which certainty and precision are the most essential requisites." Mr. Park adds, further on, "It is material to observe that policies of insurance, though called 'written' instruments, are, for the convenience of trade and the despatch of business, generally printed, leaving blanks for the insertion of names and all other requisites. This being the case, it is frequently necessary to insert written clauses, in order to express the meaning of the parties to the contract, which, from some particular circumstances the printed form may not sufficiently explain. These written clauses and conditions, thus inserted, are to be considered as the real contract; the court will look to them to find out the intention of the parties, and will consequently suffer such conditions to control the printed words in policies of insurance."

As marine insurance came to develop itself in the course of the seventeenth century, the main question that offered itself for judicial decision as regards policies, was one regarding the construction of these documents. Differences of opinion occurred at the outset among the judges; but after a while the principle of the subject was laid down in two celebrated trials which have remained leading cases to this day. The first of these trials, presided over by Lord Chief Justice Lee, known as "Tiernay *v.* Etherington," occurred in 1743. It was an action against some London underwriters, upon a policy of insurance "on goods, in a Dutch ship, from Malaga to Gibraltar, and at and from thence to England and Holland, both or either; on goods as hereunder agreed, beginning the adventure from the loading,

and to continue till the ship and goods be arrived at England, or Holland, and there safely landed." The agreement referred to was "that upon the arrival of the ship at Gibraltar, the goods might be unloaded, and re-shipped in one or more British ship or ships for England and Holland, and to return one per cent. if discharged in England." It appeared in evidence that when the vessel arrived at Gibraltar, the goods were unloaded and placed, instead of into a warehouse on shore, into a so-called store-ship, used as a warehouse, and that at that time there was no "British ship" into which, as stipulated in the policy, the goods could be at once "re-shipped." Two days after the transfer into the store-ship had taken place, the whole cargo was lost in a violent storm, and the question to be decided by the Court of King's Bench was, whether this was a loss within the construction of the policy. In delivering the decision, which was on all points for the plaintiff, and against the underwriters, Lord Chief Justice Lee uttered observations subsequently adopted as guiding in law.

"It is certain," ruled his lordship, "that in the construction of policies the *strictum jus*, or *apex juris*, is not to be laid hold of; but they are to be construed largely, for the benefit of trade and for the insured. Now it seems to be a strict construction to confine this insurance only to the unloading and re-shipping and the accidents attending that act. The construction should be according to the course of trade in this place, and this appears to be the usual mode of unloading and re-shipping in that place, viz. that when there is no *British* ship there, then the goods are kept in store-ships. Where there is an insurance on goods on board such a ship, that insurance extends to the carrying the goods to shore in a boat. So if an assurance be of goods to such a city, and the goods are brought in safety to such a port, though distant from the city, that is a compliance with the policy, if that be the usual place to which the ships come. Therefore, as here is a liberty given of unloading and

re-shipping, it must be taken to be an insuring under such methods as are proper for unloading and re-shipping. There is no neglect on the part of the insured, for the goods were brought into port the nineteenth, and were lost the twenty-second of November. This manner of unloading and re-shipping is to be considered as the necessary means of attaining that which was intended by the policy, and seems to be the same as if it had happened in the act of unshipping from one vessel into another. And as this is the known course of the trade, it seems extraordinary if it was not intended. This is therefore not to be considered as an extension of the policy; for as the policy would extend to a loss, happening in the unloading and re-shipping from one vessel to another, so any means to attain that end come within the meaning of the policy." Not content with this verdict, and thoroughly aware of its far-bearing influence, the defendant underwriters moved for a new trial, but had it refused by the united opinion of the judges, all adhering to the principle, henceforth ruling in law, of a liberal construction of the policy.

The second of the two leading trials referred to took place in 1759, before Lord Mansfield. It was an action brought against the Royal Exchange Assurance Corporation by one Mr. Pelly, part owner of the ship "Onslow," an East India trader, upon a policy insuring the vessel "at and from London, to any port or place beyond the Cape of Good Hope, and back to London, free from average, under ten per cent. upon the body, tackle, apparel, ordnance, munition, artillery, boat, and other furniture of and in the said ship; beginning the adventure upon the said ship from and immediately following the date of the policy, and so to continue and endure until the ship shall be arrived as above, and there anchored twenty-four hours in good safety." The perils mentioned in the policy were the common perils, namely "of the seas, men of war, fire," &c. It was put in evidence that the "Onslow" left London, and safely arrived

in the river Canton, China, where she was to clean and refit, and for other purposes. Immediately upon her arrival, the sails, yards, tackle, cables, rigging, and other furniture, were, by the captain's orders, taken out for repair, and put into a warehouse, or ship-store, locally known as a "bank-saul," situated on a small island in the river. A short time after this had been done, a fire broke out on board a Swedish ship anchored at the island, and, communicating itself to the "bank-saul," the whole of the property belonging to the "Onslow" was destroyed. There were witnesses to prove that it had been the custom and usage, during a great number of years, for all European ships, except Dutch, to unrig after arrival in the river Canton, and to place their sails and other furniture in warehouses similar to that of the "Onslow;" and it was argued on the plaintiff's side that the act was not only a prudent course, but for the common benefit of the insurers as well as the insured. This was strongly denied by the defendants, many arguments being adduced. These, however, did not convince the jury, which delivered a verdict in favour of the plaintiffs. A case was reserved for the whole court, which took time to consider the intricate questions involved, and in the end unanimously confirmed the verdict of the jury, declaring the Royal Exchange Assurance Corporation liable within the intent and meaning of the policy.

In delivering the judgment of the Court, one of admirable lucidity, the Lord Chief Justice made many important remarks, often afterwards quoted in trials affecting questions of marine insurance. "By the express words of the policy," Lord Mansfield laid down the rule, "the defendants have insured the tackle, apparel, and other furniture of the 'Onslow,' from fire, during the whole time of her voyage, until her return in safety to London, without any restriction. Her tackle, apparel, and furniture were inevitably burnt in China, during the voyage, before her return to London. The event, then, which has happened, is a loss

within the general words of the policy, and it is incumbent upon the defendants to show, from the manner in which this misfortune happened, or from other circumstances, that it ought to be construed a peril which they did not undertake to bear. If the chance be varied, or the voyage altered, by the fault of the owner or master of the ship, the insurer ceases to be liable, because he is only understood to engage that the thing shall be done safe from fortuitous dangers, provided due means are used by the trader to attain that end. But the master is not in fault if what he did was done in the usual course, and for just reasons. The insurer, in estimating the price at which he is willing to indemnify the trader against all risks, must have under his consideration the nature of the voyage to be performed, and the usual course and manner of doing it. Everything done in the usual course must have been foreseen, and in contemplation at the time he engaged; he took the risk upon a supposition that what was usual or necessary should be done. In general, what is usually done by such a ship, with such a cargo, in such a voyage, is understood to be referred to by every policy, and to make a part of it as much as if it were expressed."

"The usage," Lord Mansfield continued, "when foreseen, is rather allowed to be done than what is left to the master's discretion, upon unforeseen events; yet if the master, *ex justâ causâ*, go out of the way, the insurance continues. Upon these principles, it is difficult to frame a question which can arise out of this case, as stated. The only objection is that the goods were burnt in a 'bank-saul,' and not in the ship; upon land, not at sea or upon water; and being appertinent to the ship losses and dangers ashore could not be included. The answer is obvious. First, the words make no such distinction; secondly, the intent makes no such distinction. Many accidents might happen at land, even to the ship. Suppose a hurricane to drive it on shore; or an earthquake may have a like effect. Suppose the ship to be burnt in a dry dock; or suppose

accidents to happen to the tackle upon land, taken from the ship, while accidentally and occasionally refitting, as on account of a hole in its bottom, or other mischance. These are all possible cases. But what might arise from an accidental repair of the ship is not near so strong, as a certain necessary consequence of the ordinary voyage, which the parties could not but have in their direct and immediate contemplation. Here the defendants knew that the ship must be heeled, cleaned, and refitted, in the river of Canton; they knew that the tackle would then be put in the 'bank-saul;' they knew that it was for the safety of the ship, and prudent, that it should be put there. Had it been an accidental necessity of refitting, the master might have justified taking them out of the ship, *ex justâ causâ;* but describing the voyage is an express reference to the usual manner of making it, as much as if every circumstance was mentioned. Was the chance varied by the fault of the master? It is impossible to impute any fault to him. Is this like a deviation? No: it is *ex justâ causâ*, which always excuses. Had the insurers in this case been asked whether the tackle should be put in the 'bank-saul,' they must, for their own sakes, have insisted that it should. They would have had reason to complain if from their not being put there a misfortune had happened. In such a case, the master would have been to blame, and by his fault would have varied the chance. They have taken a price for standing in the plaintiff's case, as to any losses he might sustain in performing the several parts of the voyage, of which this was known and intended to be one. Therefore, we are all of opinion that, in every light and in every view of this case, in reason and justice, and within the words, intent, and meaning of this policy, and within the view and contemplation of the parties to the contract, the insurers are liable to answer for this loss." The ruling of Lord Mansfield in this case, as it laid down the law in a large number of insurance trials to come, likewise, in all probability, prevented a still larger number from taking place. It made

firm ground, once for all, and for both insurers and underwriters, as to the leading principles in the construction of policies.

One of the questions that occupied the law courts most in all early insurance trials, and which, like others, was not definitely settled until the judicial reign of the Earl of Mansfield, was that of seaworthiness. In Park's "System of the Law of Marine Insurance," seaworthiness is defined as a ship being in a condition "at the time of the insurance able to perform the voyage, unless some external accident should happen," and that if the ship has "a latent defect wholly unknown to the parties, that will vacate the contract, and the insurers are discharged." This doctrine, says Park, "is founded upon that general principle of insurance law, that the insurers shall not be responsible for any loss arising from the insufficient or defective quality, or condition, of the thing insured."

"There is in the contract of insurance," Mr. Park adds, "a tacit and implied agreement that everything shall be in that state and condition in which it ought to be; and, therefore, it is not sufficient for the insured to say that he did not know that the ship was not seaworthy, for he *ought* to know that she was so, at the time he made the insurance. The ship is the substratum of the contract between the parties. A ship not capable of performing the voyage is the same as if there were no ship at all; and, although the defect may not be known to the person insured, yet, the very foundation of the contract being gone, the law is clearly in favour of the underwriter, because such a defect is not the consequence of any external misfortune, or any unavoidable accident, arising from the perils of the sea, or any other risk against which the underwriter engages to indemnify the person insured." Lord Mansfield laid down the doctrine of seaworthiness, in the most concise manner, as follows. "By an implied warranty, every ship insured must be tight, staunch, and strong; but it is sufficient if she be so at the time of her sailing. She may cease to be so in twenty-four

hours after departure, and yet the underwriter will continue liable." This dictum of the great judge, given in the case of "Eden *v.* Parkinson," has been admitted as ruling in legal decisions.

The most important trial bearing upon the question of seaworthiness, and the verdict in which, arrived at after the exhaustion of every form of appeal, influenced all subsequent ones on the subject, was a case celebrated in insurance law as that of the Mills Frigate, and technically known as "Mills and another *v.* Roebuck." It was an action on a policy of insurance, "lost or not lost," at and from the Leeward Islands to London, "warranted to sail on or before the 26th of July, 1764, upon any kind of goods, wares, and merchandizes, and also upon the body, tackle, &c., of and in the good ship or vessel called the Mills Frigate, beginning the adventure on the goods from the loading thereof on board the said ship at St. Kitt's, and upon the ship from her arrival at the Leeward Islands," the defendant undertaking to indemnify against the usual risks for a premium of £2 10*s.* per cent. It appeared in evidence at the first trial, in the Court of Exchequer, before Lord Chief Baron Parker, that the Mills Frigate was a vessel built in France, and—what became a most important point in the matter for decision—constructed differently from English ships. "The timbers of French ships," a witness stated, "are usually fastened with iron bolts, or spikes, which are liable to grow rusty; and, when the same are grown rusty, the timbers of such ships frequently become loose at once, and the ships are rendered incapable of bearing the sea, without any perceptible symptoms of decay."

The Mills Frigate, before sailing from London, underwent some repairs in dock; but her iron bolts and spikes were not examined at the time, "as it could not be done without taking off her sheathing, and the ship had been sheathed a little while before." Other evidence, interesting, not only as bearing upon this case, but as throwing light upon the organization of underwriters at this period, showed

that the condition of the Mills Frigate, and the mode of her construction, were well known at Lloyd's. An important witness, an insurance broker, stated "that George Hayley, Esq., the first underwriter on this policy, and many other persons by whom policies of insurance are generally underwritten, keep a register, in which all ships usually insured by them are entered, with an account of the age, construction, and visible goodness of the vessels, and to whom they belong; that they also employ a surveyor, whose business it is to survey such ships; and that the ship in question, at the time of underwriting the policy, and long before, had been entered in such register, and previous to her last outward-bound voyage had been surveyed by one Thomas Whitewood, who was then employed by the said George Hayley, and other underwriters as such surveyor." The witness went on to state that "as far as appeared to the said Thomas Whitewood the ship was in good condition, and perfectly fit to undertake a voyage to and from the Leeward Islands; but the surveyor did not, neither could he, examine the bolts and spikes, for the reasons aforesaid; but did survey as far as is ever practised in such cases." Finally, the insurance broker gave oath, "that the said George Hayley had often before underwrote policies on the said ship and her cargoes, and the witness fully believed that Mr. Hayley knew as much of the condition of the ship as the plaintiffs did." It will be seen that, after this evidence, not disproved by the defendants, the question as to whether the owners of a vessel should be responsible for its seaworthiness, even after satisfactory surveys, and absolute knowledge of every particular by the insurers, came on for decision in its strongest form.

The Mills Frigate safely reached the Leeward Islands, arriving in April, 1764, at St. Christopher's, where she delivered her outward cargo, and underwent again some repairs to her hull, having proved very leaky. Of her actual condition at the time the owners were informed by the captain, who, in a letter dated St. Christopher's, April 23,

1764, told them that the Mills Frigate had met during the voyage a heavy north-easterly gale, in which "the ship strained so much by the pressure of sail we were obliged to carry on her in that great sea, that it was with the utmost difficulty we could keep her free." Recounting the perils of the voyage, the captain told the owners that "on the eighth of April, at nine in the morning, reckoning myself nineteen leagues to leeward of Madeira, our ship so loosened that we could not carry sail upon the wind; and seeing no probability of the wind shifting, or abating enough to give us a chance of beating up, I bore away for Nevis, judging it better for the preservation of the whole than to run any hazard in endeavouring for the Canaries in our weak, leaky, and distressed condition." The captain wound up his letter by saying that, "as the ship's complaint has been chiefly in her upper works, I am obliged to have her new-nailed from the wail upwards, and hope you will find what repairs are necessary to be made here are conducted with all the frugality circumstances will admit to."

The captain's letter from St. Christopher's reached the owners of the Mills Frigate on the 13th of June, and a day or two afterwards they gave it to Mr. Matthew Towgood, an insurance broker frequenting Lloyd's, asking him to procure, if possible, an insurance of £1,250 on vessel and cargo, with the distinct understanding that any underwriters willing to make the venture should be acquainted fully and entirely with all the particulars of the risk. What followed is shown in the evidence, which gives a curious glimpse into the Lloyd's of the period. It was proved on affidavit "that the said Matthew Towgood first showed the policy in question and the letter of the captain to the said George Hayley, on the 19th of June, 1764, who after reading over the letter, asked him what interest he had to insure, to which the broker answered, ship, freight, and cargo, and that he might write which he pleased. That thereupon the said George Hayley said he would underwrite the ship, saying she would come home safe enough, notwithstanding the damage which

the said letter imported she had received, as it was a summer voyage, but that she would very likely damage her cargo. That the said George Hayley was going to underwrite the said policy for £300 on the said ship, and had wrote the figure 3; but on the said Matthew Towgood's telling him he was a bold man to write three hundred pounds after reading the said letter, the said George Hayley struck out the figure 3, and converted it into a 2, and accordingly underwrote the said policy for the sum of two hundred pounds on the said ship. That the said Matthew Towgood showed the said letter to the said defendant Roebuck, and all the other underwriters on the said policy, before they underwrote the same."

The Mills Frigate sailed, on her return voyage to England, on the 24th of July, 1764, but had not been twenty-four hours at sea when she sprang a leak, proved to have arisen from the rustiness of the French bolts, and was with difficulty brought back to St. Christopher's, and there abandoned as a wreck. Upon this, the underwriters refused payment of the policy on the ground of unseaworthiness, admitting at the same time that the owners had acted not only with the utmost fairness but in the most honourable manner in effecting the insurance. The judgment in the Court of Exchequer went in favour of the underwriters, and a writ of error being granted, and referred to Lord Mansfield, the latter entirely confirmed the decision. His lordship, as reported by Mr. Park, held "that however innocent or unfortunate the insured might be, yet if the ship was not seaworthy at the time of insuring, there was no contract at all between the parties, because of the very foundation of the contract the ship was in the same condition as if it did not exist." The decision of the eminent lawyer, acquiesced in by all the judges, laid down the firm rule, never since departed from, of seaworthiness being the foundation of the contract of marine insurance.

One of the earliest questions of law regarding marine insurance that occupied the court and offered itself for a

settlement, first temporary and then definite, was that of "average." The term, though of very distinct and clear meaning, is one not easily explained. Average, in its most concise definition, is a contribution of individuals to a general loss; but this explanation, being sufficiently vague, leaves everything to be described in regard to one of the most important subjects connected with insurance. The origin of the word itself is obscure and uncertain. While some derive it from the Latin languages, taking as the root the word *verum*, in French *averer*, to declare positively, others assign to it a Teutonic origin, bringing it down from the German *Haferei*, and the Scandinavian *haf* or *hav*, the open sea, "pointing," as observed by Wedgwood, "to the shores of the Baltic, where so many of our nautical terms took their rise, for the origin of the word."

It is certain that the Hanseatic merchants who introduced marine insurance into England had not only a very clear understanding of the term and meaning of average, but made rules of law concerning the subject. The Insurance Ordinances of Antwerp, under date 1563, decree that "in order to ascertain the damage which shall appear by reason or in consequence of the above-mentioned jettisons, stranding, or cutting away for the effectual preservation of life, ship, and cargo, all the goods, whether lost or saved, shall be valued altogether, according to the prices of the market where the goods saved shall be disposed of, for money or money's worth, first deducting from thence the freight and other charges, and then adding thereunto the true value of the ship, or the whole freight agreed for by the master, at the option and choice of the merchant; all which being added together, every one shall from the whole sum be rated in proportion to the goods which he has lost, or which were saved, which estimation and calculation of such *averages* shall be made by masters of ships, and merchants experienced therein, and that are impartial." In the Insurance Ordinances of the city of Middelburg, first issued in the year 1600, it is decreed that "an action for the

damage or decay of any ship, or goods that are insured, generally called *average*, must be brought within a year and a half at farthest, if such *average* happened within the limits of Europe, or Barbary, or within three years when at a further distance; the respective times of one year and a half, and of three years, beginning after the ships are entirely unloaden. Further, if the loss, either by way of *average* or otherwise, does not exceed one per cent., the assurer shall not be obliged to make good the damage, nor make any return." From these rules of Hanseatic maritime legislation may be clearly traced the growth of the English law on the subject of average.

In the "System of the Law of Marine Insurances," above quoted, there is a succinct description of what constitutes average, as developed in English law. "Average," says the author, "signifies a contribution to a general loss. Whatever the master of a ship in distress, with the advice of his officers and sailors, deliberately resolves to do for the preservation of the whole, in cutting away masts or cables, or in throwing goods overboard to lighten his vessel, which is what is meant by jettison, or jetson, is in all places permitted to be brought into a general, or gross average, in which all who are concerned in ship, freight, and cargo, are to bear an equal, or proportionable, part of the loss of what was so sacrificed for the common welfare; and it must be made good by the insurers in such proportions as they have underwritten." Another, more detailed definition of average, is given in a work, entitled "A Complete Digest of the Theory, Laws, and Practice of Insurance," by Mr. John Weskett, published in 1781. "Average," the author explains, "means the accidents and misfortunes which happen to ships and their cargoes, from the time of their lading and sailing till their return and unlading. It is divided into three kinds: first, the *simple*, or *particular*, average, which consists in the extraordinary expenses incurred, either for the ship alone, or for the merchandize alone. Such is the loss of anchors, masts, and rigging, occasioned by the com-

mon accidents at sea; the damages which happen to merchandize by storms, capture, shipwrecks, wet, or rotting: all which must be paid by the thing that suffered the damage. Secondly, the large, or common, called *gross*, or *general* average, being those expenses incurred, and damages sustained, whether by ship or by goods, or by both, for the common good, security, and preservation both of the merchandize and vessel; consequently to be borne by the ship, freight, and cargo, and to be regulated and proportioned upon the whole. Thirdly, the small, or *petty* average, which means expenses for towing and piloting the ship out of or into harbours, creeks, or rivers, and other port charges: one-third of these must be charged to the ship, and two-thirds to the cargo. It also signifies a small duty which merchants who send goods in another man's ship pay to the master for his care of them, over and above the freight; hence it is expressed in the bills of lading, as paying so much freight for the said goods, with primage and average as accustomed."

The questions concerning average that came before English courts in the period of development of the laws of marine insurance found early settlement, being decided uniformly on the broad ground of customs and usages. This was laid down as a rule by Lord Mansfield, and adhered to generally on the judicial bench. To protect themselves against the consequences of old and often undefined usages, bearing hard upon their interests, the underwriters at an early period found it necessary to agree upon special clauses with insurers, protecting them against unreasonable claims upon average. The working of these clauses proving satisfactory, the whole of them were compressed and embodied in a memorandum or warranty, to be "free from average," which was permanently added to all policies of marine insurance in the year 1749. The memorandum ran as follows:—"Corn, Fish, Salt, Fruit, Flour, and Seed are warranted free from Average, unless general or the Ship be stranded; Sugar, Tobacco, Hemp, Flax, Hides, and Skins

are warranted free from Average under five pounds per cent.; and all other Goods, also the Ship and Freight, are warranted free from Average under three pounds per cent. unless general, or the Ship be stranded." It will be seen that the first class of goods "warranted free from average," consists of commodities peculiarly susceptible of damage, such as corn, fish, and fruit, and regarding these the underwriter is exonerated, by the clause of the policy, from any claim whatever for *partial* loss, or deterioration, unless the ship be stranded. In the second class are grouped articles somewhat less perishable than the foregoing, such as sugar and tobacco, and regarding these it is stipulated that no damages can be claimed under the head of average unless amounting to five per cent. upon the value. Finally, the third class comprises all other goods, as well as the ship and freight; and, to constitute a claim upon any interest falling within these wide limits, it is stipulated that the damage or partial loss must amount to three per cent. upon the value, under which ratio it is not recoverable upon the policy, unless the vessel is stranded, or unless, as in all other cases, it is not a mere partial but a *general* average loss. The memorandum of being "warranted free from average," added to all English policies of marine insurance in 1749, was approved of by the highest legal authorities, and it tended greatly to keep down the work of law courts in settling disputes about average.

About the same period in which the "free from average" memorandum found insertion in policies, there was frequently added another, stating that the insurance should be "interest or no interest;" and, if the former clause diminished law suits, the latter decidedly increased them. The term "interest or no interest" denoted by itself that it was not necessary for the insurer to be directly concerned, or to have an interest other than that springing from collateral clauses, in the venture for which compensation was to be obtained in the event of failure, and hence the contracts containing these words soon obtained the names

of "wager policies." Attempts to enter into these contracts were frequent at an early date in all the maritime states in which marine insurances were practised; but in all of them likewise they were not looked upon as lawful. The legislation of all the Hanseatic towns and corporations absolutely interdicted "wager policies," and if the same was not the case in England, still, as remarked by Mr. James Allan Park, "the courts of justice looked upon these contracts with a jealous eye, and by their determination showed the strong prejudices which they entertained against them." In several trials upon policies of "interest or no interest," the verdict went against the parties claiming upon partial or total losses, but not able to show of their being possessed of any actual share in the ships and cargoes so insured, and for some time these decisions had the effect, if not of extinguishing, at least of considerably diminishing, the number of "wager policies."

Wager policies became again common in the period of excitement marked by the South Sea Bubble, and which saw also the establishment of the two monopolizing marine insurance companies, the London Assurance Corporation, and the Royal Exchange Assurance Corporation. To these two companies the learned author of the "System of the Law of Marine Insurance," attributes, in a remarkable passage deserving to be quoted, the rapid growth of "wager policies" in the third and fourth decades of the eighteenth century. "The security given to the insured," he says, "was very considerably increased by the erection of the two insurance companies, which were incorporated by royal charter in the year 1720, for the legislature had taken care that these corporations should have sufficient funds to answer any demands that might be made upon them in the common course of business. But this additional security for the insured soon produced many dangerous and alarming consequences, which, if they had not been checked, would have proved very detrimental to the trade of this country. For instead of confining the business of insurance

to real risks, and considering them merely as an indemnity to the fair dealer against any loss which he might suffer in the course of a trading voyage, the practice of insuring ideal risks, under the names of 'interest or no interest,' or 'without further proof of interest than the policy,' or 'without benefit of salvage to the underwriters,' was increasing to an alarming degree, and by such rapid strides as to threaten the speedy annihilation of that lucrative and most beneficial branch of trade. All these various kinds of insurance just enumerated—and many others which the ingenuity of bad men found no difficulty in devising—having no reference whatever to actual trade and commerce, were very justly considered as mere gaming or wager policies, and therefore the legislature thought it necessary to give them an effectual check, and, by positive rules, to fix and ascertain what property, or interest, a merchant should be permitted to insure."

The work of the legislature here referred to was an Act, passed in 1746, marked in the statute-book as 19 George II. cap. 37, and entitled "An Act to regulate insurance on ships belonging to the subjects of Great Britain, and on merchandizes or effects laden thereon." The Act, embodying one of the most notable attempts of Parliament to regulate marine insurance, has the following preamble: "Whereas it has been found by experience that the making assurances 'interest or no interest,' or 'without further proof of interest than the policy,' hath been productive of many pernicious practices, whereby great numbers of ships, with their cargoes, have either been fraudulently lost or destroyed, or taken by the enemy in time of war; and such assurances have encouraged the exportation of wool, and the carrying on many other prohibited and clandestine trades, which by means of such assurances have been concealed, and the parties concerned secured from loss, as well as to the diminution of the publick revenue, as to the great detriment of fair traders; and by introducing a mischievous kind of gaming, or wagering, under the pretence of assuring

the risk on shipping and fair trade, the institution and laudable design of making assurances hath been perverted, and that which was intended for the encouragement of trade and navigation has, in many instances, become hurtful and destructive to the same." After this preamble follow the legislative enactments, in five sections.

The first section runs: "For remedy whereof it is enacted that no assurance, or assurances, shall be made by any person or persons, bodies corporate or politick, or any ship or ships, belonging to his Majesty or any of his subjects, or on any goods, merchandizes or effects, laden or to be laden on board of any said ship or ships, upon 'interest or no interest,' or 'without further proof of interest than the policy,' or 'by way of gaming,' or 'wagering,' or 'without benefit of salvage to the assurer;' and that every such assurance shall be null and void to all intents and purposes." The general prohibition is qualified in favour of privateers in the second section, which runs: "Provided always that assurance on private ships of war, fitted out by any of his Majesty's subjects solely to cruise against his Majesty's enemies, may be made by and for the owners thereof, 'interest or no interest,' 'free of average,' and 'without benefit of salvage to the assurer,' anything herein contained to the contrary thereof in any wise notwithstanding." In the third section there is another exception: "Provided also that any merchandizes, or effects from any ports or places in Europe or America, in the possession of the crowns of Spain or Portugal, may be assured in such way and manner as if this Act had not been made." The fourth section of the statute relates to re-insurances, enacting, "That it shall not be lawful to make re-assurance, unless the assurer shall be insolvent, become a bankrupt, or die, in either of which cases such assurer, his executors, administrators, or assigns, may make re-assurance, to the amount before by him assured, provided it shall be expressed in the policy to be re-assurance." Finally, it was enacted in the fifth section, "That all and every sum, or sums of money to

be lent on bottomry, or at 'respondentia,' upon any ship or ships, belonging to any of his Majesty's subjects bound to or from the East Indies, shall be lent only on the ship, or on the merchandize, or effects, laden or to be laden on board of such ship, and shall be so expressed in the condition of the said bond; and the benefit of salvage shall be allowed to the lender, his agents or assigns, who alone shall have a right to make assurance on the money so lent; and no borrower of money on bottomry, or 'respondentia,' as aforesaid, shall recover more on any assurance than the value of his interest in the ship, or in the merchandizes, or effects, laden on board of such ship, exclusive of the money so borrowed; and in case it shall appear that the value of his share in the ship, or in the merchandizes or effects laden on board, doth not amount to the full sum or sums he hath borrowed as aforesaid, such borrower shall be responsible to the lender for so much of the money borrowed as he hath not laid out on the ship or merchandize laden thereon, with lawful interest for the same, together with the assurance and all other charges thereon, in the proportion the money not laid out shall bear to the whole money lent, notwithstanding the ship and merchandizes be totally lost."

The Act of 1746 was thought for some time to apply to those contracts of marine insurance known as "valued" policies, already described at the outset of this chapter, as being so called in distinction from "open" policies. Several minor decisions gave encouragement to the idea of valued policies being prohibited, but an important judgment of Lord Mansfield, given in the case of "Lewis *v.* Rucker," and never superseded, did away with this belief. "A valued policy," the great judge laid down the law, "is not to be considered a wager policy, or like 'interest or no interest.' If it were, it would be void by the Act of 19 Geo. II. cap. 37. The only effect of the valuation is fixing the amount of the prime cost, just as if the parties had admitted it at the trial; but in every argument, and for every other purpose, it must be taken that the value was fixed in such a manner as that

the insured meant only to have an indemnity. If it be undervalued, the merchant himself stands insurer for the surplus. If it be, on the other hand, much overvalued, it must be done with a bad view, either to gain, contrary to the 19th Geo. II., or with some view to a fraudulent loss. Therefore an insurer never can be allowed to plead in a court of justice that he has greatly overvalued, or that his interest was a trifle only. It is settled, that upon valued policies the merchant need only prove some interest to take it out of the 19th Geo. II., because the adverse party has admitted the value, and if more were required the agreed valuation would signify nothing. But if it should come out in proof that a man had insured for £2,000, and had interest on board to the value of a cable only, there never has been, and, I believe, there never will be a determination that by such an evasion the Act of Parliament may be defeated. There are many conveniencies from allowing valued policies; but, where they are used merely as a cover to a wager, they must be considered as an evasion of the Act. The effect of the valuation, indeed, is only the fixing conclusively the prime cost. If it be an open policy, the prime cost must be proved; if a valued policy, it is agreed."

There were various efforts made towards the middle of the eighteenth century to establish special courts for the trial of cases of marine insurance, respectively and the settlement of disputes without trial, after the manner of the "Chambers of Insurance" existing, from a very early date, in the principal maritime countries of Europe. But the movement, including, among others, an attempt to revive the dormant action of the court established under the Act of the 43rd Eliz. cap. 12, "for the hearinge and determynyge of causes arisinge from pollicies of assurance," bore no fruit. The great body of lawyers opposed both the revival of Elizabeth's disused court, and the formation of any other, on the ground, as expressed by Mr. James Allan Park, that it is for the best of the community that "all questions of this nature should be decided by the usual

mode of trial, known to the laws and institutions of this country, namely, the trial by jury in the courts of common law." The author of the legal text-book, "A System of the Law of Marine Insurances," says on another occasion, "It has been much the fashion of late years to insist upon the advantages which the trading part of the nation would derive from the establishment of some equitable and amicable judicatory for the trial of all disputed points in matters of insurance. This is only another proof of the weakness and fallibility of the human mind, which is never satisfied with the enjoyments within its reach, however excellent they may be, but pants after those of foreign growth. Thus, a people who are possessed of a species of trial the best calculated for the discovery of truth and the advancement of justice, and which has excited the admiration of the world, are desirous of parting with such an advantage for a mode of trial which is very unsatisfactory.'

Setting aside the admiration of existing institutions, courts of common law and others, offering "enjoyments within reach," the real causes which prevented the formation of special insurance tribunals are to be sought in the growth of Lloyd's, which came to be in course of time a court of jurisdiction exercising as stringent a power over its members as any judicial bench. Mr. Cornelius Walford, in his great "Insurance Cyclopædia," clearly expresses this opinion. "It appears," the author of the "Cyclopædia" observes, "that the Chamber [Elizabeth's "Court"] began to lessen in its attractions early in the eighteenth century. It has been supposed that the granting of Charters to the two great Insurance Corporations in 1720, which charters expressly provided that all actions on their policies were to be brought in the Courts at Westminster, had an influence in this direction. We are more disposed to believe that the establishment of Lloyd's Coffee House, which became the resort of a large number of underwriters, and has eventuated in the world-renowned Lloyd's of the present day, was the real reason of the decline of the Chamber of

Insurance. The constitution of the Chamber of Insurance was defective, insomuch as it appeared to have no control over the underwriters who frequented it, and undertook risks apparently under the shadow of its authority. Lloyd's, on the other hand, instituted in process of time a system of membership, and so obtained at least some control over the action of its members."

CHAPTER IX.

"NEW" LLOYD'S.

THE loose connection existing between the underwriters of London, as frequenters of the same coffee-house where they carried on their business transactions, formed itself, as already noted, into a final "system of membership" by transmigration to the Royal Exchange in the year 1774. The author and leading spirit in this all important movement, which had far-reaching consequences for the commerce, not only of England, but for that of the world, was Mr. John Julius Angerstein, a native of St. Petersburg, but of German extraction, descended from an old and highly respected family of merchants. Mr. Angerstein, born in 1735, came over to England when a boy of fourteen, entering as a junior clerk the counting-house of Mr. Andrew Thompson, an eminent Russia merchant, and assiduous frequenter of Lloyd's Coffee-house.

It was not long before Mr. Thompson took a strong liking to the intelligent and energetic native of St. Petersburg, specially intrusted to his care; and rising rapidly from junior to senior clerkships, John Julius Angerstein in the end, while still quite a young man, became a merchant and underwriter on his own account. To get the requisite capital, that at his command being insufficient at the out-

set, though afterwards growing into the "millionnaire" kind, he formed successive partnerships, first that of Angerstein and Dick; secondly, Angerstein and Lewis; thirdly, Angerstein, Lewis, and Warren; fourthly, Angerstein and Warren; and fifthly and lastly, the most important of all, the long-flourishing firm of Angerstein and Rivaz. As head of these various houses, Mr. John Julius Angerstein was constant in his attendance at Lloyd's Coffee-house, which soon became the chief place of his activity, he being looked upon as one of its most respectable members, distinguished as much for the sagacious and far-seeing method shown in all his enterprises, as for his high integrity. Thus, it was natural that when the necessity had shown itself of organizing the rambling battalions of underwriters, brokers, and merchants assembling at Lloyd's into a regular even-marching rank and file, Mr. Angerstein came to the front as a leader, which task he discharged with almost more than his usual promptness and vigour.

Mr. Angerstein's leadership, under which the underwriters of Lloyd's found a final home in the Royal Exchange, did not commence quite at the outset of the movement for organization, but asserted itself definitely only after a number of fruitless attempts by others to achieve the same end. The search for new premises in which to instal Lloyd's commenced immediately after the underwriters had left the old coffee-house in Lombard Street, for the rooms taken in Pope's Head Alley were only fit for temporary occupation, and altogether unadapted for the purposes they were made to serve. In the negotiations for obtaining the desired permanent home, the lead was taken at the beginning by Mr. Martin Kuyck Van Mierop, a Dutch gentleman of high commercial standing, much older than Mr. Angerstein, who as yet was not forty. On the invitation of Mr. M. K. Van Mierop, seventy-nine underwriters met, towards the end of 1771, at the rooms in Pope's Head Alley, denominated "New Lloyd's Coffee-house," and expressed and subscribed their willingness to contribute one hundred pounds each towards the end in view. The names of the subscribers, all

but one, have been preserved in the minute books of Lloyd's—thick, leather-bound folios, singed at the edges by the fire which destroyed the Royal Exchange, but otherwise well preserved—the list being introduced by a declaration, as follows:—

"We the underwritten do agree to pay our several subscriptions into the Bank of England, in the names of a committee to be chosen by ballot, for building a *New Lloyd's*." Then come the names, textually as below:—

£100. James Bourdieu. One Hundred pounds.
£100. Joshua Readshaw. One Hundred pounds.
£100. John Wilkinson. One Hundred pounds.
£100. Brook Watson. One Hundred pounds.
£100. George Curling. One Hundred pounds.
£100. Godhard Hagen. One Hundred pounds.
£100. James Laird. One Hundred pounds.
£100. Samuel Gist. One Hundred pounds.
£100. Gregory Olive. One Hundred pounds.
£100. James Syme. One Hundred pounds.
£100. George Hayley. One Hundred pounds.
£100. Robert Woodmass. One Hundred pounds.
£100. Paul Amsinck. One Hundred pounds.
£100. John Travers. One Hundred pounds.
£100. Joseph Bird. One Hundred pounds.
£100. Nicholas Lutyens. One Hundred pounds.
£100. Marmaduke Peacocke. One Hundred pounds.
£100. Joseph Bland. One Hundred pounds.
£100. William Tippell. One Hundred pounds.
£100. Richard Peacocke. One Hundred pounds.
£100. James Black. One Hundred pounds.
£100. Thomas Newnham. One Hundred pounds.
£100. Robert Hunter. One Hundred pounds.
£100. Edward Reilly. One Hundred pounds.
£100. John Julius Angerstein.[1] One Hundred pounds.

[1] Name barely to be deciphered, standing at the top of a page burnt away at the edges in the fire of 1838.

£100. James Mather. One Hundred pounds.
£100. Thomas Sutton. One Hundred pounds.
£100. Martin H. Van Mierop. One Hundred pounds.
£100. Lewis Mendes. One Hundred pounds.
£100. Thomas Walker. One Hundred pounds.
£100. Andrew Perrott. One Hundred pounds.
£100. Joshua Mendes Da Costa. One Hundred pounds.
£100. John Campbell. One Hundred pounds.
£100. William Halked. One Hundred pounds.
£100. William Davis. One Hundred pounds.
£100. William Stead. One Hundred pounds.
£100. William Black. One Hundred pounds.
£100. William Trotter. One Hundred pounds.
£100. Robert Dallas. One Hundred pounds.
£100. Thomas Bell. One Hundred pounds.
£100. Edward Woodmass. One Hundred pounds.
£100. Henry Appleton. One Hundred pounds.
£100. Edward James. One Hundred pounds.
£100. Samuel Chollett. One Hundred pounds.
£100. Timothy Bevan, jr., One Hundred pounds.
£100. John Whitmore. One Hundred pounds.
£100. John Shoolbred. One Hundred pounds.
£100. Robert Cornthwaite. One Hundred pounds.
£100. William Neate. One Hundred pounds.
£100. Robert Bogle, sen., One Hundred pounds.
£100. John Arnall. One Hundred pounds.
£100. John Nutt. One Hundred pounds.
£100. William James. One Hundred pounds.
£100. Page Keble. One Hundred pounds.
£100. Thomas Thoresby. One Hundred pounds.
£100. James Mowbray. One Hundred pounds.
£100. William Greenwood. One Hundred pounds.
£100. Cornelius Donovan. One Hundred pounds.
£100. . . . . [1] One Hundred pounds.

[1] Name burnt out completely, the amount of money on each side only left standing.

£100. John Auther. One Hundred pounds.
£100. William Ward. One Hundred pounds.
£100. Thomas Carter. One Hundred pounds.
£100. William Kelly. One Hundred pounds.
£100. Benjamin Eyre. One Hundred pounds.
£100. Augustin Meade. One Hundred pounds.
£100. William Welbank. One Hundred pounds.
£100. William Smelt. One Hundred pounds.
£100. John Townson. One Hundred pounds.
£100. John Ewer. One Hundred pounds.
£100. David Chollett. One Hundred pounds.
£100. Thomas Harley. One Hundred pounds.
£100. Henry Wildman. One Hundred pounds.
£100. Thomas Weston. One Hundred pounds.
£100. Colin Mackenzie. One Hundred pounds.
£100. Simon Fraser. One Hundred pounds.
£100. John Wilson. One Hundred pounds.
£100. John Read. One Hundred pounds.
£100. William Devaynes. One Hundred pounds.
£100. John Brough. One Hundred pounds.

At the commencement of the year 1772 another meeting was held in the rooms of Pope's Head Alley, recorded as follows in the minute-books of Lloyd's:—

"At a General Meeting of the Subscribers to the Plan for the Building or Removing to another House for the more Commodious Reception of the Gentlemen Underwriters, &c., held at the time and place above mentioned, Present,—Mr. Martin Kuyck Van Mierop in the chair.

Mr. Joshua Readshaw.
„ Brook Watson.
„ James Syme.
„ Nicholas Lutyens.
„ Richard Peacocke.
„ Robert Hunter.
„ Thomas Walker.
„ William Davis.
Mr. Henry Appleton.
„ John Whitmore.
„ Robert Bogle, sen.
„ William Black.
„ John Townson.
„ Robert Dallas.
„ Lewis Mendes.
„ Benjamin Eyre.

Mr. John Bogle.
„ George Curling.
„ James Laird.
„ Paul Ansinck.
„ Marmaduke Peacocke.
„ James Black.
„ Edward Reilly.
„ Andrew Perrott.
„ William Stead.
„ Edward James.
„ John Shoolbred.
„ Cornelius Donovan.
„ John Travers.
„ John Ewer.
„ Thomas Harley.
„ Robert Woodmass.
„ Page Keeble.
„ George Hayley.

Mr. Godhard Hagen.
„ Gregory Olive.
„ Joseph Bird.
„ Joseph Bland.
„ Thomas Newnham.
„ J. J. Angerstein.
„ John Campbell.
„ Thomas Bell.
„ Timothy Bevan.
„ Robert Cornthwaite.
„ Augustin Mead.
„ William Smelt.
„ David Chollett.
„ Thomas Thorsby.
„ John Nutt.
„ William Welbank.
„ John Wilkinson.

"A motion was made and seconded:—

"'That a Committee consisting of nine subscribers may be chosen by Ballot to carry the scheme into execution;' and the Question being put it was Resolved Accordingly.

"The Ballot was proceeded upon, when the following Gentlemen were elected, viz.:—

Mr. Martin K. Van Mierop.
„ John Wilkinson.
„ John Townson.
„ Joshua Readshaw.
„ James Black.

Mr. John Ewer.
„ James Bourdieu.
„ John Whitmore.
„ Brook Watson.

"A Motion was made and seconded,—

"'That any Five of the said Elected do compose a Committee.' Voted Accordingly.

"A Motion was made and seconded,—

"'That the Several Subscribers do forthwith pay into the Hands of the said Committee of the Sums for which they have Respectively Subscribed, or so much thereof as the

said Committee shall determine it to be proper to make an immediate Call for.' Voted Accordingly.

"A Motion being then made and seconded,—

"'That the said Committee may be invested with full powers to provide and Contract for a proper place whereon to carry the said Scheme into Execution, and that they may be at Liberty to apply all or any part of the Money to be paid into their hands, agreeable to the said last Resolution, in the purchase of such place as they shall provide and Contract for, as aforesaid.' And the Question being put, voted in the Affirmative."

The following minute stands next on record:—

"At a meeting of the committee at New Lloyd's Coffee-house, on Monday, the 30th March, 1772, present—

"Mr. Martin Kuyck Van Mierop in the Chair.

Mr. John Ewer.
„ Joshua Readshaw.
„ John Wilkinson.
Mr. Alexander Black.
„ John Whitmore.

"Mr. Thomas Fielding reported that he had, in Compliance with the Orders of the Committee, agreed with Mr. John Fletcher for his House adjoining to New Lloyd's Coffee House for the Residue of his Lease—about 14 Years to come—at £60 per annum. Mr. William Arnold also reported that Mr. Noke, the Master of Wills' Coffee-house, being dead, and that the Widow intended to quit the Business and dispose of her Lease, and desired that the Committee do meet tomorrow Morning, when he will let them know the Conditions on which the said Lease may be obtained. Resolved, that the Committee do meet here to-morrow morning at 10 Oclock precisely to receive the said Proposal."

The next following entry in the minute-book, exhibiting the house-hunting exertions of Mr. Van Mierop and his friends, runs:—

"New Lloyds' Coffee House. Tuesday, the 14th April, 1772. At a Meeting of the Committee. Present:—

"Mr. M. K. Van Mierop in the Chair.

Mr. James Bourdieu.	Mr. John Whitmore.
„ John Ewer.	„ James Black.
„ John Townson.	„ Joshua Readshaw.
„ John Wilkinson.	„ Brook Watson.

"Resolved—'That Mr. Adams do treat with the College for a term of 35 Years on such terms as he can obtain not less than for 21 Years exclusive of the 5 Years unexpired of the present tenants and on His Securing such lease from the College that he treats with the present Occupiers for their lease for a Sum not Exceeding £1000.'

"Adjourned.

"(Signed) MARTIN K. VAN MIEROP, Chairman."

The report of the next meeting, speaking of further negotiations, evidently more and more intricate, is as follows:—

"New Lloyd's Coffee House. Thursday 28th May 1772.

"At a Meeting of the Committee. Present:—

Mr. John Ewer.	Mr. Joshua Readshaw.
James Bourdieu.	„ Brook Watson.
John Wilkinson.	„ Martin Kuyck Van Mierop.

"A Letter from Magdalane Colledge Oxon dated 19th May and signed Thos. Pindar, Burser, was Read wherein they agree to grant a lease for 40 Years including the unexpired term to the present Leasses about 5 Years, at the Rent of £280 per annum for the term Commencing after the expiration of the present Lease. Resolved—'That Mr. Adams do forthwith agree with and take a lease of Mr. Goms and Mr. James's House in Freeman's Court on the aforesaid terms from the said Colledge.'"

Nothing came of all these negotiations, nor of many others that followed, and the result of which was entered in the minute book in the report of meetings. At one of these, held on the 14th of June, 1773, "Mr. Adams produced a letter from Messrs. Raymond and Company giving him the preference of their house in Cornhill, the corner of Finch Lane, at the term of £600 fine for the remainder of the lease, 2¼ years to come from Midsummer, and acquainted us that the ground rent paid to the hospital of St. Thomas is £36 per annum, but that they had promised to renew the Lease after the expiration of the 2¼ years at an additional rent of £20 per annum." The committee were near closing with this offer, being pressed by Messrs. Raymond and Co. to "give an answer by 12 o'clock to-morrow noon" on pain of losing a great bargain, "as so many people applied for it," but were stopped from doing so at the last moment. "Mr. Bowden, the treasurer of St. Thomas's," says the minute, "was so obliging as to call on us here, but could not recollect that the House in Cornhill belonged to the Hospital."

Vexed at all these failures, and very anxious to quit their dark and unwholesome temporary premises in Pope's Head Alley, Mr. Van Mierop's committee now resolved to accept an offer previously made, and buy the lease of an old house in Freeman's Court, belonging to a Mr. John Lasley. In great hurry, the committee paid Mr. Lasley the sum of one hundred guineas on account of his lease, and they were on the point of definitely passing the resolution for rebuilding the house in Freeman's Court, when Mr. Angerstein at last came forward. Far-seeing in all his undertakings, it had long been clear to the rising partner of the house of Thompson and Co., that it was of the utmost importance for the success of the institution that was about to be founded on a new basis, that it should be located both in a central position and in one of high respectability, and seeing that neither of these conditions were fulfilled by the selected premises in Freeman's Court, he energetically

opposed the execution of this scheme. But he did much more than putting himself merely under opposition, by taking into his own hands the choice of the best habitation obtainable, which he found on the first floor of the Royal Exchange, in a suite of rooms used by the "British Herring Fishery" society. The rooms were about to be vacant, and going to the proprietors of the Royal Exchange, the Mercers' Company, Mr. Angerstein found that he might have the place on lease if he would become personally responsible for the rent. To this the spirited young merchant, who had already got a large connection as insurance broker and underwriter, assented, and it was formally settled that, subject to the approval of the Committee in Pope's Head Alley, the New Lloyd's Coffee-house should be removed to the Royal Exchange.

A few more entries in the old minute-book of Lloyd's tell the history of the removal to the new premises and final instalment there. At a committee meeting held in Pope's Head Alley on the 16th November, 1773, "the Surveyor of the Mercers' Company, attended with a plan of the premises in the Royal Exchange," and it was resolved "that Mr Readshaw and Mr. Angerstein wait on Mr. Deputy Ellis to-morrow morning, to hear if we can have a communication with the Common Sewers, and then to wait on the Gresham committee." In the record of the next meeting in Pope's Head Alley, held on the 18th of November, Mr. Angerstein's name figures in the list of members of the committee, at the side of that of Mr. Van Mierop and four others. The resolutions come to at this meeting were two in number, first that "Mr. Mansel Crouch, the Surveyor," who "attended with a plan of the premises over the Exchange, and one for the intended Coffee-house," should be asked to draw out estimates of expenditure; and, secondly, "that Mr. Fielding do make inquiry for some person to take the present New Lloyd's Coffee-house off his hands." It was now decided that Mr. Angerstein's proposal should be adopted, and the announcement of it was made to

a "General Meeting of the Subscribers to a New Lloyd's Coffee-house, held in Pope's Head Alley, on Wednesday evening the 24th November, 1773, at half-past seven o'clock." Report having been made by the committee "that after many fruitless researches to obtain a Coffee-house in Freeman's Court and other places, they had succeeded with the Mercer's Company for a very roomy and convenient place over the North-West side of the Royal Exchange, at the rent of £180 per annum," it was followed by a motion, "that the Generality approve of what the Committee have done," which "passed in the affirmative Nemine Contradicente."

There were two more committee meetings in Pope's Head Court, previous to removal. At the first, held on the 10th of February, 1774, the decision was come to "that this House shall be shut up on Monday the 7th day of March next, and the Rooms lately possessed by the British Herring Fishery Company, being the North West Corner on the Royal Exchange be then opened for carrying on the business as usually carried on in this House, which New Rooms are to be continued under the Name of New Lloyd's Coffee-House." At the second—the final—meeting held in Pope's Head Alley, "on Friday the 4th of March at seven o'clock in the evening" the committee resolved that the management of the new coffee-house at the Royal Exchange should be placed under the supervision of "Thomas Tayler, the present head-waiter," who was "to reap one-fourth part of the net profits of the House," and that further "the fees of the next head-waiter be divided, one-half to such head-waiter, and the remaining half equally to Thomas Fielding and Thomas Tayler the said parties having cordially agreed to the same." It was further decided "that the said Thomas Fielding and Thomas Tayler become tenants at will to the subscribers to New Lloyd's Coffee house, paying them the Annual Rent of one hundred and eighty pounds." And so the representatives of marine insurance moved into the Royal Exchange, to make

it their permanent home, where the name of Lloyd was to become world-famous.

The beginnings of the association in their new quarters were sufficiently humble. To the seventy-nine subscribers originally banded together in payment of the sum of one hundred pounds each, there came gradually to be added a few dozen more, but the centenary was not reached till the end of 1774. As far as can be seen from the minute-books of Lloyd's, the total amount promised by the seventy-nine original members, brokers and underwriters, was never demanded of them; but it was settled by the committee on taking possession of the rooms at the Royal Exchange, that the annual payment of all subscribers should be twenty pounds, payable in advance for every year. The committee also resolved "that the names of all the subscribers to New Lloyd's Coffee House be printed in large characters on vellum, and framed and hung up in the subscribers' room." Besides the "subscribers' room," there was a "public coffee-room," with bar, open to visitors, like other places of the same kind in London; and to insure due privacy in the former, it was ordered by the committee "that nothing shall be sold to any Person in the great room, which shall be deemed the Subscribers' Room, and kept for their sole use and benefit." It was found before long that the subscribers' room was much too small for the growing business of Lloyd's, and the premises had to be enlarged by the addition of other apartments, secured through the influence of Mr. John Julius Angerstein.

The report of the first meeting, standing in the minute-book as having taken place in the new premises at the Royal Exchange, furnishes proof in a rather striking manner of the great desire of the subscribers of Lloyd's that their institution should gain an honourable name, and form a sort of court of discipline for its own members. It was this which had been the main object of establishing the association, and the subscribers, for the protection of their own interests, no doubt, as well as from higher motives,

lost not a moment to carry it into execution. At the meeting, a general one for subscribers, held in March, 1774, there was passed, unanimously, the following quaintly worded resolution, commencing with the preamble that "Shameful Practices have been introduced of late years into the business of Underwriting, such as making Speculative Insurances on the Lives of Persons, and on Government securities." The resolution then went on arguing that "in the first instance it is endangering the Lives of the Persons so Insured, from the idea of being selected by Society for that inhuman purpose, which is being virtually an accessory in a species of slow murder; in the second Instance, of Speculative Insurance on the Stocks, it is notorious they are calculated for the purpose of Stock-jobbing, and tend to weaken Public Credit." Upon these grounds it was strongly recommended "that Insurers in general will refuse subscribing such Policies, and that they will show a proper Resentment against any Policy Broker who shall hereafter tender such a Policy to them." Resolutions of a similar character, denouncing all gambling and other disreputable transactions, were passed at subsequent meetings, and must have had their share in establishing a good character for New Lloyd's.

A most important step was taken by the members of Lloyd's at the commencement of the year 1779. It was that of definitely fixing the *printed* form of policy of marine insurance. Hitherto there had been many varieties, naturally giving rise to frequent disputes, as well as law suits, and, to prevent further difficulties, the committee of Lloyd's drew up a general form of policy which was adopted at a fully attended general meeting held on the 12th of January, 1779. At this meeting the following notable resolutions were passed; first, "That no Policy be subscribed from this time knowingly that may be printed in Words different from a Form now produced;" and secondly, "That we will not Underwrite to any Person or Persons who may hereafter tender any Policy otherwise

printed." These resolutions, formally sanctioned in an application to Parliament, were immediately carried out, and thus the "Lloyd's Policy," known all over the world, came into existence. For a number of years, all the "Lloyd's Policies" bore, in a note on the top, the date of their birth, or their adoption by the general meeting of subscribers. The printed form of the new "Lloyd's Policy" was as follows:

IN THE NAME OF GOD, *Amen.*

S. G.

Printed according to the Form revised and confirmed at New Lloyd's, on the 12th of January, 1779.

Stamps.

as well in own Name, as for and in the Name and Names of all and every other Person or Persons to whom the same doth, may, or shall appertain, in Part or in All, doth make Assurance and cause and them and every of them to be Insured, lost or not lost, at and from

Upon any Kind of Goods and Merchandises, and also upon the Body, Tackle, Apparel, Ordnance, Munition, Artillery, Boat and other Furniture, of and in the good Ship or Vessel called the

whereof is Master, under God for this present Voyage, or whosoever else shall go for Master in the said Ship, or by whatsoever other Name or Names the same Ship or the Master thereof, is or shall be named or called, beginning the Adventure upon the said Goods and Merchandises from the loading thereof aboard the said Ship

upon the said Ship, *&c.*

and shall so continue and endure, during her Abode there, upon the said Ship, *&c.*

And further, until the said Ship, with all her Ordnance, Tackle, Apparel, &c., and Goods and Merchandises whatsoever, shall be arrived at

upon the said Ship, &c., until she hath moored at Anchor Twenty-four Hours in good Safety, and upon the Goods and Merchandises, until the same be there discharged and safely landed. And it shall be lawful for the said Ship, &c., in this Voyage to proceed and sail to and touch and stay at any Ports or Places whatsoever

without Prejudice to this Insurance. The said Ship, &c., Goods and Merchandises, &c., for so much as concerns the Assured, by Agreement between the Assured and Assurers in this Policy, are and shall be valued at

Touching the Adventures and Perils which we the Assurers are contented to bear and do take upon us in this Voyage, they are, of the Seas, Men-of-War, Fire, Enemies, Pirates, Rovers, Thieves, Jettisons, Letters of Mart and Countermart, Surprisals, Takings at Sea, Arrests, Restraints and Detainments of all Kings, Princes, and People, of what Nation, Condition, or Quality soever, Barretry of the Master and Mariners, and of all other Perils, Losses, and Misfortunes that have or shall come to the Hurt, Detriment, or Damage of the said Goods and Merchandises and Ship, &c., or any Part thereof. And in case of any Loss or Misfortune it shall be lawful to the Assured, their Factors, Servants, and Assigns, to sue, labour, and travel for, in, and about the Defence, Safeguard, and Recovery of the said Goods and Merchandises and Ship, &c., or any Part thereof, without Prejudice to this Insurance; to the Charges whereof we, the Assurers, will contribute each one according to the Rate and Quantity of his Sum herein assured. And it is agreed by us, the Insurers, that this Writing or Policy of Assurance shall be of as much Force and Effect as the surest Writing or Policy of Assurance heretofore

made in Lombard Street, or in the Royal Exchange, or elsewhere in London. And so we the Assurers are contented, and do hereby promise and bind ourselves, each one for his own Part, our Heirs, Executors, and Goods, to the Assured, their Executors, Administrators, and Assigns, for the true Performance of the Premises, confessing ourselves paid the Consideration due unto us for this Assurance by the Assured at and after the Rate of per cent.

IN WITNESS whereof, we the Assurers have subscribed our Names and Sums assured in London.

N.B.—Corn, Fish, Salt, Fruit, Flour, and Seed are warranted free from Average, unless General, or the Ship be stranded; Sugar, Tobacco, Hemp, Flax, Hides, and Skins are warranted free from Average under Five Pounds per Cent.; and all other Goods, also the Ship and Freight, are warranted free from Average under Three Pounds per Cent., unless general, or the Ship be stranded.

The present form of "Lloyd's Policy," in use to this day in Great Britain and in many other parts of the world, is precisely the same as the above printed one, sanctioned by the members of Lloyd's on the 12th of January, 1779, the sole modern change, to a word, consisting in the omission of the good old pious phrase at the beginning "*In the name of God, Amen,*" for which has been substituted the sentence "*Be it known that.*" The change from the pious to the profane dates from the year 1850.

At the same meeting at which the members of Lloyd's settled their new form of policy, it was reported that Mr. Martin Kuyck Van Mierop, first chairman of the committee "for building a new Lloyd's," had just died, and a successor was forthwith chosen to take his place on "the Committee for managing the Coffee-house." The death of the originator fell together with the commencement of the greatness of New Lloyd's.

CHAPTER X.

LLOYD'S DURING THE WAR.

THE long naval contest between Great Britain and the principal maritime countries of the world, virtually one for the supremacy of the seas, which began in 1775, with the first attempt of the settlers in North America to free themselves from English rule, and did not end till the complete subjugation of all opposing forces after the end of forty years, had an extraordinary effect in stimulating the business of marine insurance. Up to the commencement of the great war, the insurance of ships, and of property sent by sea, had not been held to be absolutely necessary, and there were numbers of merchants who deemed it no more requisite to insure the vessels and cargoes they owned against loss, than to insure their houses against fire, and their lives against death. During the continuation of the naval wars of preceding periods, the amount of marine insurances always increased; but, these contests being comparatively short, they fell off again as soon as peace was proclaimed. It was left to the great struggle which occupied the latter part of the eighteenth and the first decade of the nineteenth century, lasting for more than a generation, to bring home to every person having property floating on the sea the paramount necessity of

covering the risk as much as possible, and of distributing losses, that would have been ruinous to any one individual, among many persons. Thus there arose universal demand for marine insurance, and with the demand came the supply. High premiums, adequate to high risks, being offered, merchants of the greatest wealth disdained not to become insurers of maritime property, and, while formerly the average staked by underwriters amounted seldom to more than one or two hundred pounds, tens of thousands henceforth not unfrequently figured in the "line" of a single name on the list of Lloyd's subscribers. The war, too, had the effect of bringing, as foreign cash, so foreign marine insurance business from all parts of the world into Great Britain, the Bank of England and the Royal Exchange standing like rocks of safety among the surging billows of naval and continental strife, their security being undoubted. Thus the war which made England great also ended in the greatness of Lloyd's.

The amount of property offering itself for marine insurance in England, although not to be compared with that of the present day, was already very considerable at the outbreak of the American war. During the first three quarters of the eighteenth century, the total commerce of Great Britain more than trebled, gradually increasing from a little more than ten millions in the first decade, to thirteen millions in the second, sixteen millions in the third, twenty millions in the fourth decade, and so forth, till it reached the sum of thirty-two millions sterling. The transit trade augmented in the same period in a still higher ratio, with the gradual transfer from Dutch to English hands of the business of ocean-carriers. The slow but regular growth of commerce, directly influencing marine insurance, is shown in the subjoined table, which gives, after the official returns of the Custom-house authorities, the value of imports and of exports, and the totals of both, from and into Great Britain, in each of the seventy-five years from 1701 to 1775:—

Years.	Imports.	Exports.	Total Imports and Exports.
1701	£5,869,606	£7,621,053	£13,490,659
1702	4,159,305	5,235,874	9,395,179
1703	4,526,596	6,644,103	11,170,699
1704	5,383,201	6,552,020	11,935,221
1705	4,031,649	5,501,677	9,532,326
1706	4,113,933	6,512,087	10,626,020
1707	4,274,055	6,767,178	11,041,233
1708	4,698,663	6,969,090	11,667,753
1709	4,510,593	6,627,046	11,137,639
1710	4,011,341	6,690,829	10,702,170
1711	4,685,786	6,447,171	11,132,957
1712	4,454,682	7,468,857	11,921,539
1713	5,811,078	7,352,655	13,163,733
1714	5,929,227	8,361,638	14,290,865
1715	5,640,944	7,379,409	13,020,353
1716	5,800,258	7,614,085	13,414,343
1717	6,346,768	9,147,700	15,494,468
1718	6,669,390	8,255,302	14,924,692
1719	5,367,499	7,709,528	13,077,027
1720	6,090,083	7,936,728	14,026,811
1721	5,768,511	8,681,201	14,449,712
1722	6,378,099	9,650,790	16,028,889
1723	6,505,676	9,489,811	15,995,487
1724	7,394,405	9,143,356	16,537,761
1725	7,094,708	11,352,480	18,446,188
1726	6,677,865	9,406,731	16,084,596
1727	6,798,908	9,553,043	16,351,951
1728	7,569,299	11,631,383	19,200,682
1729	7,540,620	11,475,772	19,016,392
1730	7,780,019	11,974,135	19,754,154
1731	6,991,500	11,167,380	18,158,880
1732	7,087,914	11,786,658	18,874,572
1733	8,016,814	11,777,306	19,794,120
1734	7,095,861	11,000,645	18,096,506
1735	8,160,184	13,544,144	21,704,328
1736	7,307,966	11,616,356	18,924,322
1737	7,073,638	11,842,320	18,915,958
1738	7,438,960	12,289,495	19,728,455
1739	7,829,373	9,495,366	17,324,739
1740	6,703,778	8,869,939	15,573,717
1741	7,936,084	11,469,872	19,405,956

Years.	Imports.	Exports.	Total Imports and Exports.
1742	£6,866,864	£11,584,427	£18,451,291
1743	7,802,353	14,623,653	22,426,006
1744	6,362,971	11,429,628	17,792,599
1745	7,847,123	10,497,330	18,344,453
1746	6,205,687	11,360,793	17,566,480
1747	7,116,757	11,442,049	18,558,806
1748	8,136,408	12,351,433	20,487,841
1749	7,917,804	14,099,366	22,016,160
1750	7,702,939	15,132,004	22,834,943
1751	7,943,436	13,967,811	21,911,247
1752	7,889,369	13,221,116	21,110,485
1753	8,625,929	14,264,614	22,890,543
1754	8,093,472	13,396,853	21,490,325
1755	8,772,865	12,182,256	20,955,121
1756	7,961,603	12,517,640	20,478,243
1757	9,253,317	13,438,285	22,691,602
1758	8,415,025	15,034,994	23,450,019
1759	8,022,976	14,696,892	22,619,868
1760	9,832,802	15,579,073	25,411,875
1761	9,543,901	16,365,953	25,909,854
1762	8,870,234	14,134,093	23,004,327
1763	11,665,036	16,160,182	27,825,218
1764	10,364,307	16,512,403	26,876,710
1765	10,889,742	14,550,507	25,440,249
1766	11,475,775	14,024,964	25,500,739
1767	12,073,956	13,844,511	25,918,467
1768	11,878,661	15,117,983	26,996,644
1769	11,908,561	13,438,236	25,346,797
1770	12,216,937	14,266,654	26,483,591
1771	12,821,995	17,161,146	29,983,141
1772	14,508,715	18,732,379	33,241,094
1773	12,522,643	16,654,052	29,176,695
1774	14,548,903	17,607,447	32,156,150
1775	14,816,956	16,946,524	31,763,480

The outbreak of the American war did not interfere with the growth of British commerce, the total of which reached in 1787, at the end of another twelve years, the sum of £36,000,000. Not only the whole of this amount, and the

value of the vessels besides, now came to be insured, but vastly greater sums were added by the insurance of English men-of-war, frequently carrying rich prizes and bullion, as well as by foreign shipping. The mass of this insurance was effected at Lloyd's, the two chartered companies of 1720 doing very little. It was given in evidence before the Parliamentary Commission on marine insurances sitting in 1810, that the policies taken out in the course of hostilities upon a man-of-war, the Diana frigate, on the single journey from Vera Cruz homewards, amounted to £656,000 of which total £631,800 was underwritten at Lloyd's, and the small remainder, £25,000, by one of the companies. One underwriter at Lloyd's, Mr. Thomas King, ventured £10,000 on this policy, while others wrote "lines" of £5,000 and £3,000.

The magnitude of the transactions carried on at Lloyd's, strikingly exhibited in instances such as these, commenced towards the end of the year 1777. As soon as it was known that Benjamin Franklin's mission to Paris had been successful, and that the French Government was resolved to give its powerful assistance to the settlers of the North American colonies in their struggle for independence, with a high probability that Spain would follow the example of France, shippers and merchants rushed to have their maritime property insured to the last penny, ready to pay the highest premiums rather than face the possibility of total losses through capture by the enemy. It was well known that for the moment the English fleet was no match for that of France, still less for the combined navies of Spain and France, and that for at least a time the greatest risks would be run by all trading vessels, whether outward or homeward bound, even if under the convoy of men-of-war. In consequence, premiums such as had never before been paid were willingly given in return for good security for risks, the latter being the chief matter under consideration; and thus, with the rise in premiums, came a necessary rise in the character and stability of the society of underwriters of Lloyd's, em-

bracing some of the wealthiest merchants of London. An account of the premiums paid during the year 1782, when all the naval powers of Europe had come to be in arms against Great Britain, is given in Anderson's "Historical and Chronological Deduction of the Origin of Commerce," the author wishing to show "the state of insurance of ships at this period," and, though not mentioning by name, yet clearly referring to the premiums ruling at Lloyd's.

The following are the premiums quoted:

"From London to the West Indies, with convoy, 10 per cent., or 20 to return 10.

"From London to Jamaica, with convoy, 12 per cent., or 20 to return 8.

"From London to New York and Halifax, with convoy, 15 guineas per cent., or 25 to return 10, if ships of force; without convoy, if ships of force, 25 to return 8.

"From London to Cork, Waterford, and Dublin, 6 guineas per cent.

"From Ireland to the West Indies, except Jamaica, with convoy, 10 per cent., or 20 to return 10.

"From Ireland to Jamaica, 12 per cent., or 22 to return 10.

"From Ireland to Portugal, 15 to 20 per cent., to return 5 to 10 if with convoy; to the Mediterranean an advance of 3 per cent.

"From the West Indies to Great Britain or Ireland, with convoy, 15 guineas per cent.; without convoy, 20 per cent., unless ships of force.

"From Jamaica to any ports of Great Britain or Ireland, 25 per cent., to return 8 if without convoy, or 16 per cent. warranted with convoy.

"From Liverpool, Bristol, and Glasgow, to New York, 25 to 30 per cent., to return 16 per cent. for convoy.

"From Liverpool, Bristol, and Glasgow to the West Indies, 20 per cent.

"From Liverpool, Bristol, and Glasgow to Jamaica, 20 per cent., to return 8 for convoy."

The great importance of convoys, manifest in the rates

of premiums here given, led the members of Lloyd's, at an early period of the war, to pay close attention to the subject, and this became developed, in the course of a few years, into a kind of official superintendence acknowledged by the Government. At a general meeting of the subscribers to the Coffee-house, held on the 3rd of February, 1779, the resolution was passed unanimously—"That it be recommended to the Committee to procure Lists of all Convoys, together with the Sound Lists, and that whatever Expenses attend procuring the same be defrayed from the Public Fund." Acting upon this resolution, the committee first procured all the documents required, and then placed itself in communication with the Lords of the Admiralty to see to the due despatch of convoys, to accompany all outward as well as homeward-bound fleets of merchantmen. The position thus taken up gradually became one of high commercial, and even of political importance, as shown by a number of entries in the preserved volumes of Lloyd's minute books.

In the first volume there is the following entry:

"At a Meeting of the Committee at New Lloyd's, held on the 4th of June, 1794, the chairman announced having received a requisition, signed by sixteen of the subscribers, to call a General Meeting of the Subscribers to take into consideration the Misconduct of Captains of Merchant Ships under Convoy as reported by the Lords of the Admiralty."

The sequel runs:

"At a General Meeting of the Subscribers, held this day, the 11th June, 1794, a Motion was made and seconded that the Committee be requested to take such steps as shall appear to them most effectual for bringing to immediate Justice any Captains of Merchant Vessels who have been, or may hereafter, be represented to them as having wilfully quitted their Convoy, or otherwise misconducting themselves while under Convoy."

The motion was carried unanimously.

A series of other entries record a correspondence between the representatives of Lloyd's and the Admiralty:

"At a Meeting of the Committee, held this day, 19th July, 1794, it was resolved that the following Memorial should be transmitted to Mr. Stephens to be laid before the Lords of the Admiralty:

"'We the Underwritten the Committee appointed for the management of the Concerns of the Body of Insurers of Lloyd's, take leave to state to your Lordships our fears for the safety of the large and rich fleets hourly expected from the East and West Indies, whose Loss would be of a serious Import to the Nation generally, and would bring on inevitable ruin on that useful body of men. They conceive those fears are not without foundation, as they are not, with all the means of Information they are in possession of, able to see any adequate protection at sea from this Kingdom. But it will give them the greatest comfort to be assured from your Lordships, that means are taken for covering the arrival of the expected Fleets, as well as the General Commerce.'"

It may be noticed that in this entry the name "*New* Lloyd's" occurs no more; but the association of underwriters is simply spoken of as "Lloyd's." The latter, the old title, was henceforth always adopted, as if to signify that there was, and could be, but one Lloyd's.

The correspondence with the Admiralty is chronicled in a number of further entries, all more or less interesting.

"Lloyd's, 28th July, 1794.

"The following was sent to the Lords of the Admiralty for their information:

"The Committee for the management of the concerns of Lloyd's beg leave to transmit, for the information of the Lords of the Admiralty, the enclosed account received by them, viz.: 'The Hopewell, Ross, from the Baltic to London, was taken on the 17th inst., off Lowestoff by the Pandour Privateer, which sailed from Dunkirk four days before with three others, and had taken eleven prizes.'"

"Lloyd's, 30th July, 1794.

"At a Committee held this day the following letter, received from Mr. Stephens, was read :—

"Admiralty Office, 28th July, 1794.

"Gentlemen,

"In return for the Information transmitted by you this day respecting the capture of the Hopewell, I am commanded by my Lords Commissioners of the Admiralty to desire you will let them know under what convoy the said ship sailed.

"I am, Gentlemen,

"Your very humble Servant,

"(Signed) PH. STEPHENS."

"To the Committee for the Management
of the concerns at Lloyd's."

"Being taken into consideration, the following reply was agreed upon to be made thereto :—

"Sir,

"In compliance with the desires of the Lords Commissioners of the Admiralty contained in your letter of the 28th inst. to know under what convoy the Hopewell sail'd, it appears from the Sound lists that she passed the Sound the 26th of June bound from Ubing to Lisbon with a Cargo of Wheat, at which time it does not appear there was any convoy.

"We have the honor to be,

"Sir, your very humble Servts.

"GEORGE CURLING.
"J. BOURDIEU, Jun.
"WM. BELL.
"ALEX. CHAMPION, Jun.
"W. EWER."

"Lloyd's Coffee House, 31st July, 1794.

"The Committee for the management of the concerns at

Lloyd's feel it incumbent upon them to transmit for the information of the Lords of the Admiralty the enclosed accounts received by them.

"To Philip Stephens, Esq.,

"Admiralty.

"Viz., ships from Petersburgh to Liverpool, and others taken in the North Sea, as per list of the 1st of August."

"Lloyd's Coffee House, 1st August, 1794.

"The Committee for the management of the concerns at Lloyd's are sorry to have occasion to transmit the inclosed for the information of the Lords of the Admiralty.

"To Philip Stephens, Esq.,

"Admiralty.

"Viz., Greenland ships taken, as per Lloyd's list of 1st August."

"Admiralty Office, 1st August, 1794.

"Gentlemen,

"I have received your letter of yesterday's date, inclosing copies of letters which have been sent to you giving accounts of the French ships therein mentioned having been seen off Cromer. And I am to acquaint you that my Lords Commissioners of the Admiralty are obliged to you for the information.

"I am,

"Gentlemen,

"Your very humble servant,

"(Signed) PHILIP STEPHENS.

"To the Committee for the management
of the concerns at Lloyd's."

"Lloyd's Coffee House, 6th August, 1794.

"The Committee for the management of the concerns at Lloyd's beg leave to send the inclosed extract from Liverpool for the information of the Lords of the Admiralty:—

"Having received a letter from Captain Warre of his Majesty's ship Mermaid, complaining of a Captain of a ship having wilfully left his Convoy, the Committee will be obliged to Mr. Stephens to inform them whether the Memorial on that subject signed by the Secretaries of the two public Insurance Companies and themselves have yet come under their Lordships' Consideration.

"To Philip Stephens, Esq.,
"Admiralty."

"Lloyd's Coffee House, 12 Aug., 1794.

"The Committee for the management of the concerns of this House beg leave to send the inclosed for the information of the Lords of the Admiralty, and are sorry to observe such continued depredations in the Channel, unprecedented in any former wars.

"To Philip Stephens, Esq.,
"Admiralty.

"An account of several vessels taken in the chops of the channel by frigates."

"Lloyd's Coffee House, 13 Aug., 1794.

"The committee for the management of the concerns at Lloyd's beg leave to send the inclosed for the information of the Lords of the Admiralty.

"To Philip Stephens, Esq.,
"Admiralty.

"Other vessels taken."

"Admiralty Office, 13th August, 1794.

"Mr. Stephens presents his compliments to the Committee for the management of the concerns at Lloyd's, and acquaints them that the Lords Commissioners of the Admiralty have taken the Memorial mentioned in their Billet of the 6th inst. into their consideration, and that the Memorialists will soon be acquainted with their determination thereupon.

"To the Committee for the Management of the
Concerns of Lloyd's Coffee House."

"Lloyd's Coffee House,[1] 1794.

"The Committee for the management of the concerns of Lloyd's beg leave to send the following extract for the information of the Lords of the Admiralty:—

"By a letter from St. Maloe's the following list of Castels with French prisoners from the West Indies were detained and plundered there, and their Crews Imprisoned:

"Namely the 6 Brothers.	Stewart.	From Barbadoes.
Sally.	Ferguson.	Martinico.
London.	Kewans.	do.
Waltham.	Burnett.	do.
Betsey.	Brown.	do.
Benjamin and Elizabeth.	Jones.	Guadaloupe.
Britannia.	Gowland.	do.
Providence.	Gardner.	do.
Anatolia.	Emery.	do.

"To P. Stephens, Esq."

"Lloyd's Coffee House, 18th Sept., 1794.

"The Committee for the management of the concerns of this house request Mr. Stephens that he will favour them from time to time with the different accounts that may be received at the Admiralty of the Jamaica and Leeward Islands Fleets, as the Coffee House may be by his attention prevented from much fraud.

"To Ph. Stephens, Esq.,
"Admiralty."

"Lloyd's Coffee House, 30th Sept., 1794.

"The Committee for the management of the concerns of this house beg leave to return Mr. Stephens their sincere thanks for the communication of what the Lords of the Admiralty had ordered to be done relative to the Captain

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[1] The date in this instance, standing at the top of the page, is burnt away, all but the year.

and Crew of the Ann and Betsy, and to inform him that in consequence thereof a meeting has been held of the Insurers at Lloyd's on the said Vessel this forenoon, who have unanimously agreed to give directions for the prosecution of the Captain and of such of his people who may be committed to take their trial by any Magistrate at Portsmouth, and have given Orders for a Person to attend the examination and enter in recognizance for the name if Necessary.

"To Philip Stephens, Esq.,
"Admiralty."

"Lloyd's, 5th February, 1795.

"The present situation of the Underwriters of this House in respect to Dutch Insurance being taken in consideration,

"Resolved that the following letter be written to the Right Honourable Wm. Pitt to request an interview on the subject:

"The Committee for the management of the concerns at Lloyd's present their respectful compliments to Mr. Pitt, and will esteem it a favor if he will fix a time for their waiting upon him on Material and Urgent Business.

"Lloyd's Coffee House, 5th February, 1795.

"To the Honourable Wm. Pitt, &c., &c."

"Lloyd's, 11th June, 1795.

"At a General Meeting of Subscribers held this day,

"Several Letters from Captains in the Navy being read complaining of ships leaving their Convoy,

"Resolved

"That the Committee be requested to investigate the conduct of several Masters of Merchant Ships whose conduct in leaving their Convoys had been complained of, and take the most effectual mode of punishing them. And that the expense be defrayed out of the

fund belonging to this house, which being put by the Chairman was carried unanimously."

"Moved and Carried unanimously that Mr. Taylor be indemnified from any prosecution that may be brought against him for information given this house. And that the resolutions be published in the British and Irish Newspapers signed by the Chairman."

"Lloyd's, 25th September, 1795.

"Resolved that a Copy of the Letter dated February, 1795, to Mr. Pitt, be sent to him requesting the favor of an answer to it."

"Lloyd's, February 6th, 1795.

"SIR,

"Insurances to an immense amount having been made in this country on Dutch property, which Insurances have been made upon the confidence of the Amity subsisting between this country and Holland, and the very little apprehensions entertained that such amity and intercourse could be interrupted, and more particularly from the security held out by the Government of this Country to the Dutch trade in furnishing Convoys for the protection of Dutch ships to and from their respective settlements, as well as to and from every part of the world in amity with his Majesty,

"The Insurers concerned to so great an extent are apprehensive, notwithstanding the late order of Council bearing date the 16th January last, that under the existing law they may be called upon by the several assured for payment of the Amount of their Subscriptions on all Policies of Insurance Subscribed by them, from the Assured being at liberty to abandon to them their property so insured under that Clause in the Policy which subjects them from the restraint of Princes,

"We the Committee appointed for the Concerns of Lloyd's on behalf of ourselves and the great body of

Insurers request to submit it to your serious consideration, and that of such others of His Majesty's Ministers, &c. &c. whose Province it may come under, to adopt such relief by Provision in the Act now under Consideration as the Nature and exigency of the Case requires, or may hereafter require, from any change which may arise from the interruption of the Friendship and Amity subsisting between the two Countries.

"Should it be your wish to confer with the Committee respecting this business they will have the honor to attend you at any time you may appoint.

"We have the honor to be with great respect,

"Sir,

"Your most obedient servants,

(Signed) J. J. ANGERSTEIN.
GEO. CURLING.
WALTER EWER.
WILLM. BELL.
ALEXR. CHAMPION."

"Lloyd's, September, 29, 1795.

"The Committee for the management of the concerns at Lloyd's present their respectful compliments to Mr. Pitt and inclose the copy of a letter they had the Honor to address him under the date of the 6th February last to which they should be glad of the favor of an answer:—

"Right Honble Wm. Pitt &c. &c.

The reply of Mr. Pitt stands not on record in Lloyd's minute books.

The following letter from Mr. George Chalmers, private secretary of the Earl of Liverpool, entered as received by the chairman at a meeting of Lloyd's committee on the 8th of October, 1796, is curious in more than one respect.

"Office for Trade, Whitehall,
"7th October, 1796.

"SIR,

"I enclose you by Lord Liverpool's directions a

French paper which his Lordship has just received from his Son the Honble Mr. Jenkinson who is with Sir J. B. Warren, and which his Lordship wishes may be laid before the Committee of Insurers at Lloyd's Coffee House. It will immediately appear from the enclosed paper that the French obtain minute information with regard to the Merchant Ships of which they profit to the disadvantage of the Insurers. If this Information shall turn out of any use to the Insurers it will give great pleasure to Lord Liverpool.

If the Committee come to any resolutions on considering the enclosed instructions, I shall be very glad to see you in order to know the result for Lord Liverpool's information.

"I am ever, with many wishes for the Prosperity of Lloyd's Coffee House, Your most faithful and obed[t] servant (signed) GEORGE CHALMERS."

It was ordered by the committee "that the following extract of the instructions to Captain Pierre Etasse, of the French privateer, the Phœnix, forwarded to the Committee of Lloyd's, by order of the Earl of Liverpool, be sent into the Coffee-house, for the general information of the members." The extract, translated, was as follows :—

"The Privateer will sail with the first favourable wind to cruize off Scilly, at the mouth or entrance of the two Channels, the most favourable station to intercept ships coming from the various ports of Ireland with provisions, &c., for Great Britain, and in the hope of intercepting ships richly laden coming from the Colonies and the Mediterranean, as well as for making re-captures of Spanish ships.

"The Captain will most carefully examine all ships sailing under American Colours, many English Ships navigating with false papers, which will be known by the difference of the seals, meeting with the ships named hereafter.

"The A B C, built in America, English property.
"The Liberty of Norfolk, do.
"The Bell of Philadelphia, do.

"The Brothers of Philadelphia, English property.

"He may stop them and bring them into France, leaving on board the neutral ships their crews."

These instructions were dated the 6th Vendémiaire, An. IV., 29th September, 1796.

The high estimation of Lloyd's during this period is well illustrated by the following letter, addressed by Commodore Duckworth, a distinguished officer in the Royal Navy, and commander of a detachment of the fleet of war stationed in West India waters, to the committee, by whom it was received on the 18th of January, 1797:—

"On board the Leviathan, Mole St. Nicholas.
"October 16, 1769.

"GENTLEMEN,

"Captain Rutherford, of His Majesty's Ship Adventure, having informed me on his arrival that the Merchant Ship Prince Edward, Jeremiah M'Tee, master, under his convoy from Cork to Barbadoes, had parted company on July 18, in lat. 48·10 N., Long. 13·08 W., and that without any apparent cause, as she was copper-bottom'd and a fast Sailer, and Captain Rutherford concluding that it was an intentional Act, I think it a duty I owe to the Publick, when I reflect upon the Utility your respectable Society is to the Commerce of the Country and Security of individuals, to make you acquainted with the Transaction. The Owners' names are Hamilton, Garden & Co.; Burthen of the Prince Edward 160 Tons, belonging to Greenock. Mr. Boddington, Deputy Commissary of the Army here, having shewed me a Letter from the House of Blackburn & Co., London, significant of your Society having been great sufferers from Captures made by the Enemy on the South side of St. Domingo, I also make you acquainted that there are Frigates ordered to cruize there, and you may depend upon it will be continued, without the exigencies of His Majesty's Service should at any time

interrupt it, and then they will be replaced as soon as possible.

"I am, Gentlemen,

"Your very humble servant,

"J. T. DUCKWORTH."

In consequence of this letter, the committee of Lloyd's undertook prosecutions against several masters of ships who had quitted their convoys, the government of the day refusing to interfere in the matter. Thanks were likewise sent to Commodore Duckworth and other officers in the navy for their assistance, a special vote, passed December 5, 1798, ordering, "That the Committee do direct the Master of this House to return the thanks of the Committee, and of the General Body of Insurers frequenting this House, to Admiral Waldegrave, for his great care and attention to the Business of Convoys during his Command on the Newfoundland Station." The correspondence showed that at this period Lloyd's had risen to be a power in the State.

During a great part of the war period, up to the year 1796, the leadership of the affairs of Lloyd's rested in Mr. John Julius Angerstein, principal founder of the "New" Coffee-house. He acted as chairman of committee from 1790 to 1796, at which latter date he resigned his trust, through want of time to give it the necessary attention. His name, both as a broker and underwriter, stood so high among the members of Lloyd's that they almost blindly followed any enterprise which he was known to approve, and undertook any risk which he thought worth engaging in. So much was this the case that, after awhile, the policies to which his name, or that of his firm, Angerstein and Rivaz, was attached, acquired a special designation, being called "Julians," after the Christian name by which he went familiarly among his friends. In the evidence previously referred to as given before the Parliamentary committee on marine insurances in 1810, Mr. Angerstein left on record his testimony, the more valuable as coming from a not only very

wealthy, but most fearless and absolutely independent man, about the character and conduct of the body of the members of Lloyd's during the war.

Mr. Angerstein's statement, in substance, was that, while at the commencement of the war Lloyd's had been weak, the association had quickly gained strength, becoming, before the century had run to an end, a most powerful body, able to meet enormous financial engagements, and always ready and anxious to discharge them in the promptest manner. He said that in the year 1780, when the combined navies of France and Spain captured the greater portion of the outward-bound East and West India fleet—the convoy, consisting of three British men-of-war, the "Ramillies," of seventy-four guns, and two frigates, making their escape, leaving fifty-five merchant vessels in the hands of the enemy—a number of underwriters were unable to fulfil their engagements, but that subsequently even greater disasters caused not a single failure, the wealth and commercial standing of the principal members of Lloyd's having risen very rapidly. This was notably proved in three instances, when there occurred huge marine losses: the first, the detention and subsequent condemnation of Dutch ships in England, caused by the sudden break-out of the war with the Netherlands, in 1794; secondly, the condemnation by France and Spain of a large number of vessels sailing under the American flag, in 1797; and, thirdly, the seizure of all British ships in the ports of Russia by the Emperor Paul, in the year 1799. To the question, put by the chairman of the Parliamentary committee, "Can you state what proportion the losses by the insolvency of underwriters bear to the amount of property you have insured at Lloyd's?" Mr. Angerstein gave a most notable answer, forming, in a few facts and figures, a very epitome of the transactions of Lloyd's during one of the most eventful periods in its history.

Opening some papers he had brought with him, the whilom chairman of the committee of Lloyd's made the

following statement:—"I have had the honour of doing part of the business of a very respectable and honourable house for the last twenty-five years; the amount I insured for them was £8,483,081, and I recovered for them for losses, averages, and returns, £490,323 15*s.* 11*d.* In that account I had underwriters who did not prove solvent, for I recovered short of what I have received £2,130 11*s.* 1*d.*, this being the loss by bad underwriters in the twenty-two years. I have had an enquiry made what dividends the underwriters who failed have paid, and I have got most of them. Some paid in full; some five shillings in the pound; some ten shillings; some fifteen shillings; and some only two. But out of £2,130,11*s.* 1*d.*, the dividends they have already paid amount to £1,010 11*s.* 4*d.*, so that my principals lose £1,119 19*s.* 9*d.* If my principals had thought fit to have taken my security, I should have got, at a half per cent. upon the eight millions, above forty-two thousand pounds. I generally get a half per cent. upon long voyages, and a quarter upon short; and, supposing half to be long and half short, I should have got £31,040, and I should have lost £1,119 19*s.* 9*d.*, so that they have saved the difference. If the merchants stood '*del credere*,' I would charge one half per cent., as many do; and would, of course, have got £42,000, and lost £1,119 19*s.* 9*d.*, besides further dividends which are to be paid, some of them in full. But owing to Chancery suits and estates to be sold, and so on, all are not yet paid." Mr. Angerstein's evidence apparently surprised the committee, for the chairman went on to ask, "Then, in point of fact, losses by the insolvency of underwriters, on insurances amounting to nearly eight millions and a half of property, do not much exceed £1,100, and will be yet further reduced by the payment of dividends?" The answer of Mr. Angerstein, given with dry emphasis, was, "Yes, the losses do not amount to three-pence half-penny per cent."

Among much other interesting evidence given by the founder of New Lloyd's before the Parliamentary com-

mittee was some concerning the willingness of underwriters to fulfil their obligations. "Have you found underwriters in general disposed to cavil and evade the payment of losses?" Mr. Angerstein was asked. The reply was, "There are a great number of claims made which are not allowed; but the underwriters cannot cheat a merchant except in one way, that is, by becoming bankrupt. I cannot assert that the underwriters who are calling for papers are acting a wrong part, for there are so many fraudulent insurances—and, I am sorry to say, I have made many through my office—that I do not wonder whenever proofs are called for. The demands from foreigners particularly are past all belief; but the mode which they generally follow at the Coffee-house is to leave it to a referee. For my part I always do, and unless it is a question of law I never go into court." In reply to the further question, "In cases where the underwriters are not legally responsible, have you found them liberal or otherwise?" Mr. Angerstein replied, "Very liberal: I could produce a number of instances where they have been most liberal." Being asked to furnish instances, Mr. Angerstein said, "I have known them to dispute a point of law when they could not obtain a certain voucher, which, if not got, the underwriters must have succeeded. The assured could not produce that voucher, and the solicitor for the underwriters took advantage of it to prove the illegality of the insurance. But when the underwriters found that the law-suit was gained by that means, they declared that, though the verdict was in their favour, they would rather be cheated and pay the loss, amounting to some thousands of pounds." As if startled by the information, a member of the committee asked, "Have you any other instances?" Mr. Angerstein's prompt reply was, "Yes, I have known underwriters to pay a loss where the merchant had made a serious mistake, the policy having 'ship' instead of 'goods,' or 'goods' instead of 'ship,' and the underwriter, knowing it, took no advantage: these are facts from my books. I have known a ship insured

from one place to Europe, when she came from another, and that has been paid." Mr. Angerstein wound up his evidence on the honour and good faith of the members of Lloyd's by the remark that "private underwriters will settle the loss for a man of character when they will not do the same for a man they suspect, and they are always very liberal when they are satisfied with the probity and good intentions of the insurers."

Of the boldness of the underwriters in taking immense risks during the time of the war, even to insuring foreign vessels against being captured by English cruisers, Mr. Angerstein furnished the committee with some curious evidence. "Have you not made frequent insurances against British capture?" he was asked, and replied, "Yes," giving the same answer to the question as to whether such insurances had not been "made with great facility, and to a great extent, in the Coffee-house." To the further question, whether there was "any practicable difficulty to insuring in this country against British capture?" Mr. Angerstein replied that it could always be done "at a very high premium." Perhaps with a smile on his lips, the old chairman of Lloyd's—"in the habit of transacting insurance business for fifty-four years," as he himself gave in evidence—furnished the Parliamentary Committee with the additional information that "almost every insurance can be done with fair connections and at an adequate premium." Being asked, finally, whether underwriters in general preferred men-of-war, often carrying large amounts of specie, to merchantmen, Mr. Angerstein first replied that men-of-war were only liked "in war time," and that "in peace time underwriters would rather write packets and constant traders," and then went on to relate a little historical incident. "The Lutine frigate," said he, "sailed about the same time the regular packet did; they both carried property I insured. The Lutine was lost and the packet arrived." Concerning this "Lutine" frigate "thereby hangs a tale" of Lloyd's.

CHAPTER XI.

THE STORY OF THE "LUTINE."

THERE is not on the seas of the world a region more thickly strewn with wrecks than the singular line of coast, neither land nor water, but compound of both, ever changing, and ever altering its boundaries, that forms the entrance of the Zuyder Zee. The coast was wholly land till the beginning of the thirteenth century, when a terrible hurricane broke in one night through the isthmus, separating the inland lake, called Flevo by the Romans and Vlies by the natives, from the North Sea, the waters of which, once admitted, made themselves an ever-widening channel. In the year 1287, the North Sea cut for herself a second gate, at the cost of a hundred thousand human lives, and ever since that time the channels connecting the ocean and the former inland lake have been multiplying and shifting, till now, at the end of five centuries, the old isthmus and the former coast line are recognizable only on the maps by a narrow chain of islands stretching in a semi-circle around the entrance of the vast Zuyder Zee. Death lies in wait for the mariner who approaches the chain whenever the waves of the North Sea, uplifted by a north-westerly gale, rush through it with more than usual violence. The line of islands, the Texel, Vlieland, Terschelling, Ame-

land, and a host of smaller ones, girt by sand-banks, partly under and partly above water, are divided from each other by channels that constantly alter their course, often shifting so rapidly as to cause dismay to the very inhabitants of the amphibious districts, born fishermen and pilots. Each north-westerly gale almost brings its victims, and the sand-banks have gathered in the course of centuries a thick harvest of wrecks, made up of ships of every class and of every nation. But, of all the wrecks that lie there at the Zuyder Zee entrance, none has acquired more fame than that of the British man-of-war, the "Lutine"—a ship previously belonging to the navy of France, launched in 1785, and christened "La Lutine," but subsequently captured by Admiral Duncan—which was lost here on the night from the 9th to the 10th of October, 1799. Phlegmatic as are the natives of the Netherlands, they have woven a golden halo of romance around the wreck of the "Lutine," the bowels of which are said to hold riches "beyond the dreams of avarice." And, in Dutch eyes, the sunken treasure was not the less attractive for being the property, not of their own or any other government, but of a mere civil corporation, known semi-mystically to the world by the name of Lloyd's.

As is often the case in regard to wrecks believed to contain great treasures, that of the "Lutine" gave rise to the most fabulous accounts, not only at the outset, but repeated to this day. In the earlier reports of the disaster, the amount of bullion and money lost was given at £140,000, but it rapidly rose, in subsequent accounts, to half a million, then to a million, and ultimately to upwards of two millions sterling. Then it came to be added that "the Dutch Crown jewels" had also been on board the "Lutine," and were amidst the sunken treasure, and invention went so far as to mention that they had come from the shop of "Messrs. Rundell and Bridges on Ludgate Hill."[1] It is curious to

[1] The following sensational article appeared in a leading London daily paper in March, 1869: "On the night of the 7th October, 1799,

follow the succeeding reports of the event. One of the first appeared in the "Gentleman's Magazine," which, under date of October 19th, 1799, had the following paragraph: "Intelligence was this day received at the Admiralty from

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her (*sic*) Majesty's ship Lutine, freighted with an enormous amount of specie, varying [variously estimated ?] from £1,500,000 to £3,000,000, foundered off the sand-banks on the north-west coast of Holland, and the greater bulk of that treasure still lies buried with but nine fathoms of water over it. The Lutine was bound to a port in the Zuyder Zee, and the £1,500,000 she had on board was subsidy money for the English troops who were then serving under the Prince of Holland—Holland being at war with France (! !). She had also on board large assignments of specie for merchants in the country, as well as for bullion dealers and bankers at Hamburg, to which port she was to have proceeded after landing the government subsidy money at the port in the Zuyder Zee. There were also on board the Crown jewels of Holland, which had been sent to this country by the Prince of Holland to be reset and polished, which were executed (*sic*) by Messrs. Rundell and Bridges, the then famous jewellers to the English Court, on Ludgate Hill. They had been placed in a strong iron case hermetically sealed, and were shipped on board the Lutine at Lowestoft, a few days before she sailed, which took place on the morning of the 6th of October, and it is alleged that the commander was so elated with his important commission from the bankers, that the night before she took her departure on the fatal trip he entertained all the *élite* of Lowestoft and Yarmouth to a grand ball on board. Of the circumstances of her loss very little is known, beyond this fact, that in the following night the Lutine, in making for the entrance of the Zuyder Zee, encountered a fearful storm, and was driven on a sand-bank between the islands of Terschelling and Vieland (*sic*) and subsequently foundered, all her officers and crew, excepting one man, perishing. The survivor, however, only lived a few hours. He was picked up by some Dutch boatmen, floating on some spars, and after stating the facts of the dreadful wreck he died. Nearly two hundred persons perished in the ill-fated vessel. After much exertion, the sunken wreck of the Lutine was discovered lying in nine fathoms of water, within three miles of the western portion of the island of Terschelling, but no attempt, we believe, was made to recover the sunken treasure for one or two years, owing in a great measure to the shifting banks and the rapidity of the tides which swept over the spot. The Dutch Government offered a reward of £8,000 for the recovery of the Crown jewels, which, with other inducements held out in England, led to a company being formed, who commenced operations, and in a few

Admiral Mitchell, communicating the total loss of La Lutine, of 32 guns, Captain Skynner, on the outward bank of the Fly Island Passage, on the night of the 9th inst., in a heavy gale at N.N.W. La Lutine had, on the same morning, sailed from Yarmouth Roads with several passengers, and an immense quantity of treasure for the Texel; but a strong lee-tide rendered every effort of Captain

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years they recovered about £160,000 of the specie, of which the Dutch Government claimed £80,000 as a royalty. Subsequently, their operations were stopped by the wreck becoming embedded in sand, and in that state it continued for three or four years; the consequence was that the company became bankrupt, and the salvage operations ceased. Since then several other diving companies have been formed, and they all failed after a series of years' working. The last operations on the wreck were about three or four years since, when the divers found that the bottom of the ship, with her keel, where the bulk of the treasure is, was entire, with the skeleton of her ribs remaining. The sand may have buried her from time to time, but as certain currents set in the sand-banks shift and the wreck is exposed. It was only for an hour, or half an hour, that the divers could remain down at the slack of the tides, and only in very fine calm weather; and even then they could hardly keep a footing on account of the rapid currents. In addition to this £160,000 another £60,000 was recovered by the companies. The latter took place a few years since, and about £20,000 was paid as royalty to the government, who up to that time had repudiated all claim on the wreck of the English underwriters and marine insurance companies, who had taken lines of insurances on the specie, and had paid the £1,500,000 as a total loss. The English underwriters were prepared with better appliances to work at the wreck, but all offers were refused, and it is only lately that the Dutch Government admitted that they had no right to the wreck whatever; and, if we are correctly informed, the representatives of Lloyd's have full power to take possession of the wreck, together with its treasure." The article does not finish here, but gives more information, all very marvellous, about the underwriters, Lloyd's, and the "Prince of Holland," whoever that may be.

It will be seen by the readers of the following narrative, based throughout on authentic documents, that the tale told in the London daily paper of 1869 is a romance almost from beginning to end, not even the date of the wreck of the frigate being given correctly. Still this has not prevented its being transferred into several so-called historical books as a thoroughly correct account of the loss of the "Lutine." It is thus history is written—and copied.

Skynner to avoid the threatened danger unavailable, and it was alike impossible during the night to receive any assistance, either from the Arrow, Captain Portlock, which was in company, or from the shore, from whence several showts were in readiness to go to her. When the dawn broke, La Lutine was in vain looked for; she had gone to pieces, and all on board unfortunately perished, except two men who were picked up, and one of whom has since died from the fatigue he had encountered. The survivor is Mr. Shabrack, a notary public. In the annals of our naval history there has scarcely ever happened a loss attended with so much calamity, both of a public as well as a private nature." The "immense quantity of treasure" was valued, rather modestly, by the reporter of the "Gentleman's Magazine" at £140,000. A writer in the "European Magazine," soon after, while quoting the account word for word, turned the figures into letters, putting it "six hundred thousand pounds in specie." From thence to the million sterling the upward movement was easy. "Ce n'est que le premier pas qui coûte."

In almost all the accounts of the wreck of the "Lutine" it is stated as an absolute fact that the frigate was bound for the Texel, and that the bullion and treasure she carried, and which was lost in her, was destined for the payment of the British forces in the Netherlands. Both statements are without foundation, as proved by a careful search in the archives of the Admiralty. The records here preserved show that the "Lutine" was under directions to sail, not to the Texel, but to the river Elbe, her destination being Hamburg, and that the treasure on board was not the property of the government, intended for the payment of troops, but that of a number of London merchants—without further identification, as they were connected with Lloyd's—and that the object of the despatch of the coin and bullion was purely commercial. Upon both facts the papers in the archives of the Admiralty leave no doubt, although they are far from explaining how it happened

that, sailing for the mouth of the Elbe, the "Lutine," under the command of a most able and experienced officer, and in all respects well found, came to be driven, within eighteen hours after leaving Yarmouth Roads, to the dangerous shoals of the Zuyder Zee, far out of her track, even making every allowance for the strength of a north-westerly gale. Another apparent mystery in the ill-fated voyage of the thirty-two-gun frigate is her being employed as a mere packet, carrying cash and bullion for the benefit of private individuals. The mystery is but partly solved by the perusal and examination of all the official correspondence preserved at the Admiralty, relating both to the despatch of money for the payment of the British troops serving on the continent of Europe, and to the wreck of the "Lutine."

The first in the series of documents referred to is a letter from the Secretary of the Treasury to the Lords of the Admiralty, dated September 27, 1799, informing them that "a sum of money in silver will be ready for transmission to the Texel, for the use of the Army in Holland," and also "a quantity of bullion for Hamburg," and inquiring whether there can be got ready "by the middle of next week," or earlier, "one or more ships to convey the same." A prompt reply is given to this inquiry in a letter from the Admiralty to the Treasury, dated September 28, shortly stating that "His Majesty's ship Amethyst has been ordered to be kept in readiness for the service required." The next is a letter, dated October 2, from the Secretary of the Treasury to the Admiralty, informing the Lords that "the silver coin for the Army in Holland" has been delivered "this morning" on board the "Amethyst," at Gravesend; but that "the bar silver for Hamburg will not be ready till next week." The Secretary adds that, "it being important that the money for the army should be sent off at once," there was necessity of getting a second vessel ready for the conveyance of the bar silver for Hamburg. Next come two service letters from the commander of the "Amethyst," Captain Cooke, to the Admiralty, the first dated Gravesend, October 3, stating

that "the money for the army in Holland" had been received by him; and the second, dated October 23, informing the Lords that he sailed from the Nore on the 6th inst., arrived at the Texel on the 9th, and "delivered the money for the army," after which he left the Texel again on the 20th, and returned "this day" to the Nore. The correspondence thus far clearly disposes of the rumour of the "Lutine" having been commissioned by the government to carry the money for the payment of the English troops in the Netherlands, since the "Amethyst" was the carrier, arriving at the Texel on the very day when the unfortunate frigate was buried in the sands of the Zuyder Zee.

The "silver coin for the Army in Holland" having left, there remained behind the "bullion," or "bar silver" destined for Hamburg. To effect its despatch, in accordance with the wishes of the Treasury, an order was sent, under date of October 9, to Admiral Lord Duncan, commanding the North Sea Fleet, for the time anchored in Yarmouth Roads, directing him "to send a brig, or cutter, to Gravesend, for the service of receiving on board some bullion and conveying it to the Elbe." There came reply from Lord Duncan, "the Kent, Yarmouth Roads, October 11," stating that he had ordered "Lieutenant Wood, of the Nile, armed cutter," to proceed to Gravesend and place himself at the service of the Treasury. Lord Duncan, in the same letter, further informed the Lords of the Admiralty—in a sentence sounding rather strange, as implying of his receiving communications from private individuals, and carrying out their demands without consulting or getting the permission of his superiors—that he was going to send a second man-of-war to the Elbe. "Having received yesterday a pressing application from the merchants to convey a quantity of bullion lying here to Cuxhaven," wrote Lord Duncan, "I ordered Lieut. Terrel, of the Courier, armed cutter, to proceed thither with it." Lieut. Wood, commanding the cutter "Nile," arrived at Gravesend on the 12th of October, and on the same day informed the Lords of the Admiralty

of his arrival. On the 14th he sent further notice, at the moment of setting sail for Gravesend, that he had "received on board the bullion from the house of Messrs. Goldsmids and Co.," and, "there being no post to-day from London, I have judged it for the good of His Majesty's service to proceed with the said bullion at once to the place of its consignment." The treasure sent by the Government to the Elbe, like that despatched to the Texel, safely got to its destination, the "Nile" having a good run, which did not prevent Lieutenant Wood from afterwards getting a sharp reprimand for having left Gravesend without the final permission from the Admiralty. The noble lords, while allowing the greatest independence to an admiral, seemed to think that, as a kind of compensation, they must be all the more strict with a lieutenant, even if acting "for the good of His Majesty's service."

Admiral Lord Duncan, as appears from the further correspondence, did not carry out his first intention of fulfilling the desire of "the merchants" to send bullion to the Elbe by sending thither the cutter "Courier," under Lieut. Terrel. It seems highly probable, and indeed almost certain from the tenor of the letters, that "the quantity of bullion" mentioned in Lord Duncan's letter of the 11th of October was very much larger than originally calculated upon, the amount increasing not unnaturally by fresh parcels for the same destination, sent as soon as it became known that the treasure would be in the safe custody of a man-of-war. At any rate, the admiral discarded the cutter he had first chosen, and selected instead the "Lutine" frigate, of 32 guns, one of the swiftest and best-manned vessels in his fleet. Dating from "the Kent, Yarmouth Roads, the 9th October, 1779," Lord Duncan informed the Admiralty of his newly made arrangements in a notable letter. "The merchants interested in making remittances to the continent for the support of their credit," he wrote, "having made application to me for a King's ship to carry over a considerable sum of money, on account of there being no Paquet for that purpose, I com-

plied with their request, and ordered the Lutine to Cuxhaven with the same, together with the mails lying here for want of conveyance; directing Captain Skynner to proceed to Stromness immediately after doing so, to take under his protection the Hudson's Bay's ships, and see them in safety to the Nore." When this letter was written, the "Lutine" had sailed already, having left Yarmouth Roads at dawn on the morning of the 9th of October; and before Lord Duncan's communication reached the Lords of the Admiralty the splendid treasure-laden frigate was no more in existence.

The report of the loss of the "Lutine" reached Lloyd's on the 15th of October; but the official communication of it was not received at the Admiralty till the 19th of October, when there arrived a letter from Vice-Admiral A. Mitchell, stationed on the Dutch coast, dated "Isis, near the Vlieter, October 15, 1799." The Admiral wrote: "It is with extreme concern that I enclose you herewith the copy of a letter I received the 13 inst. from Captain Portlock, of His Majesty's Sloop Arrow, stating the total loss of His Majesty's Ship Lutine, her officers and company, all excepting one man, on the outer bank of the Fly Island passage, on the night of the 9th instant." The enclosure, signed Nathaniel Portlock, and dated "Fly Island Anchorage, October 10, 1799," furnishes the only existing account to be considered authentic of the loss of the "Lutine." "It is with extreme pain," Captain Portlock informed Admiral Mitchell, "I have to state to you the melancholy fate of His Majesty's Ship Lutine, which ship ran on the outer bank of the Fly Island passage on the night of the 9th inst., in a heavy gale of wind to the N.N.W., and I am much afraid her crew, except one man who was saved on a part of the wreck, have perished. This man, when taken up, was almost exhausted. He is at present tolerably recovered, and relates that the Lutine left Yarmouth Roads on the morning of the 9th inst., bound for the Texel, and that she had on board considerable quantity of money.

The wind blowing strong from the N.N.W., and the lee-tide coming on, rendered it impossible with Schowts, or other boats, to get out to her aid until daylight in the morning, and at that time nothing was to be seen but parts of the wreck. I shall use every endeavour to save what I can from the wreck; but, from the situation she is lying in, I am much afraid little will be recovered." The single survivor of the "Lutine" died before reaching England.

Notwithstanding the little hopeful report of Captain Portlock as regards salvage from the wreck of the "Lutine," everything that was possible was done towards this end. On the 29th October, the Lords of the Admiralty addressed a letter to Vice-Admiral Mitchell, stating that "their lordships feel great concern at this very unfortunate accident," and directing him to instruct Captain Portlock "to take such measures as may be practicable" for recovering the stores of the "Lutine," as well as the property on board, "being for the benefit of the persons to whom it belongs." The captain of the "Arrow" was to be further instructed "to send over the man who has been saved by the first opportunity, that such information may be given to the persons concerned in the property as may be necessary for the benefit of the insurers." The latter had already, nearly a week before, taken matters in their own hands, several persons being despatched from Lloyd's to ascertain on the spot whether anything could be saved from the wreck of the "Lutine." At the same time the underwriters settled their accounts with the greatest promptitude, paying for a total loss. In a letter addressed, under date of October 22, 1799, to the Secretary of the Admiralty by the "committee for managing the concerns of Lloyd's," the latter requested "the favour of Mr. Nepean to lay before the Lords Commissioners of the Admiralty the information that a sum of money, equal to that unfortunately lost in the Lutine, is going off this night for Hambro, and they trust their Lordships will direct such steps as they may think expedient for its protection to be taken." The request

was complied with, though not very graciously. Admiral Lord Duncan was directed, by orders from the Admiralty dated October 22, to appoint a convoy, but was instructed at the same time to "let them know that their lordships have done so in this particular case; but that they must not expect the packets can again be convoyed." With this letter ends all reference and allusion to the "Lutine" and her precious freight in the correspondence preserved in the Record Office of the Admiralty.

The agents sent out from Lloyd's recovered nothing from the wreck of the "Lutine" for the benefit of the underwriters. England being at war with the Netherlands, the Government of the latter country claimed the wreck as their own, although not demanding that it be adjudged by any prize court. While hostilities were proceeding between the two nations, the sturdy fishermen of the islands at the mouth of the Zuyder Zee, more particularly of that of Wyck, did not lose the opportunity of gathering the harvest of the sea and the sands. The wreck of the "Lutine," partly exposed at very low ebb tides, was lying about midway between the islands of Terschelling and Vlieland, somewhat nearer to the latter than the former, and at the period the frigate was lost a channel known as the Izergat, or Irongate, ran close to the side of the ship. Thus approach to the wreck was easy, and the Wyck fishermen and their friends took such good advantage of time and tide as to haul up from the bowels of the "Lutine" a mass of coin and bullion of the value of more than eighty-three thousand pounds sterling. It was ascertained officially, after the declaration of the bullion-fishers themselves, that they had raised the following amount of treasure between June, 1800, and November, 1801:—

58 bars of gold; weight, 646 lbs. 23 ounces;
35 bars of silver; weight, 1,758 lbs. 8 ounces;
41,697 Spanish silver pistoles;
212 Spanish silver half-pistoles;
179 Spanish gold pistoles;

20 Spanish gold half-pistoles;
24 Spanish gold quarter-pistoles;
18 Spanish gold one-eighth pistoles;
28 Spanish gold one-sixteenth pistoles;
81 Double Louis d'or;
138 Single Louis d'or;
4 English guineas;
2 Half guineas.

The Government of the Netherlands granted the salvors one-third of the bullion and coin which they declared to have found, and had delivered up to the authorities; and the remainder was conveyed first to the Hague, and then to Dordrecht, the mint of which city transformed it into Dutch money, of the total value of 669,240 guilders, or £55,700. At the end of the year 1801, the bullion-fishers left off fishing, partly because it appeared to them that the treasure store of the English frigate had been exhausted, and partly because a fresh change in the currents of the ever-moving tideways had covered the wreck with sand, many yards in depth. For more than a dozen years the Dutch thought no more of the "Lutine," only the sailors of the lonely islands of the Zuyder Zee pointing, now and then, with bated breath, and still watchful curiosity, to the presumed burial-place of the "gold wreck."

In England, too, the fate of the "Lutine" was quickly forgotten, amidst the stirring events of the great war in which the nation was engaged. Lloyd's underwriters were the last men to fret about a loss the accounts for which had been settled, and, perhaps, none but the sorrowing relatives of the officers and crew drowned in the "Lutine" ever thought of the splendid frigate that had left Yarmouth Roads on the morning of the 9th of October, 1799, and been wrecked before midnight of the same day on the Dutch coast. A few of these relatives obtained, at intervals, memorials of the dear ones lost to them. The Wyck fishermen found in their stout nets, that raised the gold and silver bars, some silver spoons marked W.S., and

these, being sent to England, were recognized by the Rev. Mr. Skynner, rector of Easton, near Stamford, Lincolnshire, as having belonged to his son, Captain William Lancelot Skynner, commander of the "Lutine." Again, the fishermen's stout nets brought to daylight a somewhat curiously shaped sword, bearing the stamp "Cullum, King's cutler, Charing Cross, London," and the initials C. G. A., and this weapon also finding its way, for reasons easily imagined, from the Zuyder Zee islets into the British islands, was discovered to have been made for the first lieutenant of the "Lutine," Mr. Charles Gastine Aufrere, third son of Mr. Anthony Aufrere, of Hoveton Hall, Norfolk. Mr. Anthony Aufrere long and bitterly mourned the loss of his son, not more than twenty-nine years of age at the time of his death, but already highly distinguished in the service which he had entered, and marked out for promotion to the highest ranks. None of the bodies of those that perished in the "Lutine" were brought to light by the fishermen of the Zuyder Zee.

After having been forgotten for more than a dozen years, the "gold wreck" once more created a stir in the Netherlands at the end of the Napoleonic wars. Public attention was drawn to it by a gentleman of property, Mr. Pierre Eschauzier, filling the post of "Opper Strand vonder," a sort of lord of the manor under government, literally "Upper Strand finder," at Terschelling, who, residing not far from the spot where the "Lutine" was lost, had made himself acquainted with all the facts of the wreck, arriving at the final conclusion that the greater portion of the treasure despatched in the English frigate was still lying within her timbers, the recovered salvage forming but an instalment of the whole. He advanced several plausible reasons for this supposition, the chief being that the ticketed gold and silver bars taken up by the previous salvors had numbers and letters on them, which clearly indicated the existence of a great mass, still wanting to complete the order of the whole. Thus, among the recovered gold bars there were thirteen

marked by the letter NB, they being found in three batches: the numbers of the first, fished up November 14, 1801, running 58 to 64; those of the second, found on the same day, 86 to 90; and the numbers of the third batch, recovered November 11, 1801, running 87 to 89. Gold bars with five more letters, and a variety of numbers of each, went to prove, to a degree almost beyond doubt, that there were a hundred numbers to each letter, which would give altogether six hundred gold bars as this portion of the treasure of the "Lutine." However, as yet there had been recovered only, in the years 1800 and 1801, as far as the information went, thirty-one gold bars, so that, according to Mr. Eschauzier's calculation, there would be no less than five hundred and sixty-nine remaining within the wreck.

Succeeding to impress the importance of these ascertained facts, and the calculations based thereon, upon the Government of the Netherlands, and finding many friends in high places, Mr. Eschauzier obtained, by royal decree dated July 16, 1814, a sum from the public exchequer to defray the first expenditure of a new attempt to raise the cargo of the "Lutine." The King himself, Willem I., was said to take a lively interest in the matter; but, notwithstanding this and other important help, Mr. Eschauzier completely failed in his enterprise. He intended carrying it out mainly by means of dredging, which did not answer, however, the body of the wreck lying too deeply imbedded in the ever-moving sands to allow of approach. With undaunted perseverance, cheered on by many of his countrymen, but most of all by his own enthusiasm, Mr. Eschauzier spent seven years over this work, and then, not being tired even after this lapse of time, looked out for fresh means to accomplish his aim. All the dredging of the seven years having produced not more than seventeen pieces of coin, namely, one Spanish gold pistole, eight Louis d'or, and eight Spanish silver pistoles, he could not help admitting to himself that this was unprofitable work, and, after much pondering, resolved to throw aside his dredges, and to have a large

diving-bell made, in which, pressing through the sands, he might descend to the "gold wreck."

King Willem I., the most commercial of the monarchs of his age, having never lost faith in the enterprise of the "Opper Strand vonder" of Terschelling, the latter sought and obtained, previous to his commencement of the new diving-bell scheme, the grant of an important privilege and monopoly. It consisted of the exclusive right to undertake the salvage from the wreck of the "Lutine," on delivery of one-half of the fished-up treasure to the government, which grant was given to Mr. Eschauzier by a royal decree of the 14th September, 1821. Having got several wealthy partners to join him in his venture, on the agreement that they should receive sixty-six per cent. of the realized profits, he himself taking the remainder, Mr. Eschauzier proceeded to London to procure the required diving-bell, together with some experienced divers, and found no difficulty, with sufficient funds in hand, in obtaining either. The diving operations commenced on the 21st of July, 1822, and continued during the whole of the summer, but they proved no more successful than the previous dredging. All salvage operations had become immensely difficult by this time. The precise spot at which the wreck of the "Lutine" was lying was not known now, as the restlessly moving sands, assuming different forms with every gale of wind, and almost every tide, did not permit even the anchoring of a buoy, and thus the enthusiastic "Opper Strand vonder" and his friends were groping their way even more in the dark with the new diving-bell than had been the case with the preceding dredges. After setting the divers to work for four or five months with not the slightest result, Mr. Eschauzier finally relinquished the task, after an expenditure of nearly five thousand pounds sterling. The Government of the Netherlands purchased his diving-bell from him; the divers went back to England; the boats, full of curious spectators ceased plying between Terschelling and Vlieland, and the

tides swept once more undisturbed over the grave of the unfortunate "Lutine."

The last complete failure of the highly esteemed "Opper Strand vonder" of Terschelling had the effect of making his countrymen lose for a time all belief in the expected treasures lying procurable within the "golden wreck;" but, singularly enough, as the faith waned in the Netherlands, so it arose in England. Mr. Eschauzier's stay in London, the purchase of the diving-bell, and engagement of divers, with other incidents of the affair, had made some noise among the public, and the consequence of it was that a number of influential underwriters at Lloyd's took up the subject. They argued, upon undoubtedly good and substantial grounds, that if there still existed much of the treasure sunk in the "Lutine" it belonged to them, the Government of the Netherlands having really no claim upon it, either in law or equity. The feeling, which found vent when the grant of the concession to Mr. Eschauzier became known, grew stronger with discussion, till at length the committee of Lloyd's took action, addressing the English Government on the subject. Some influence was brought to bear upon Mr. Canning, who, quite assenting to the views taken by the members of Lloyd's as to the right of salvage of the "Lutine" wreck, agreed to open negotiations with the cabinet of the Hague, to restore the property to the rightful owners. The matter was settled, after no more than the usual amount of diplomatic warfare, with a compromise. The Government of the Netherlands, holding, probably, that the half share of the buried "Lutine" treasure which it had reserved to itself under the treaty with Mr. Eschauzier was not worth a great deal, the speculation of the "Opper Strand vonder" having proved a disastrous failure, generously made its rights to the fifty per cent. over to "the British Claimants." The result of the diplomatic negotiations was first announced by Mr. F. Conyngham, Secretary of the Foreign Office, to Mr. William Bell, for some time chairman of the committee of Lloyd's, who had taken

the most active interest in the matter, even undertaking for the purpose a journey to the Netherlands, and visiting the place of wreck of the "Lutine."

Mr. Conyngham's letter, dated May 6, 1823, ran as follows:—

"SIR,

"With reference to the several applications which have been made to His Majesty's Government to interfere with that of the Netherlands on behalf of the underwriters, and others, claiming to be allowed to recover certain property still supposed to remain on board of the Lutine Frigate, lost off the coast of Holland in 1799, I am directed by Mr. Secretary Canning to acquaint you, for the information of the parties concerned, that after much negotiation His Netherlands' Majesty has expressed his willingness to cede to the British claimants the whole of that moiety of the said property which by His Netherlands' Majesty's decree of the 14th September, 1821, was reserved to the use of his said Majesty. The other moiety was, by the same decree, granted in the nature of salvage to a private company of his own subjects, who undertook to recover the cargo at their own expense. It has been stipulated that the British claimants shall be at liberty to concert with the said company as to the best mode of effecting that recovery. Considering the difficulties which the negotiation has experienced from disputed points of law, and making due allowance for the engagements formed with the Dutch company, who have been recognized as salvors by the Dutch law, and would have a right to have all services rewarded in the Courts of Holland for the property which may be saved by their exertions, Mr. Canning apprehends that it may be advisable for the claimants in this country to agree to the offer now made. The season for operation is now before them, and no hope could be reasonably entertained that a renewal of the negotiation would bring the matter to a more reasonable close."

The "claimants" wisely accepted Mr. Canning's advice, and took the proffered half of the still to be obtained salvage of the golden "wreck."

The committee of Lloyd's having notified to the Foreign Secretary their consent to take the half of any contents of the "Lutine," in discharge of the rightful demands of the underwriters, a decree formally making over the moiety was issued by the King of the Netherlands. To guard the royal dignity, if not for other causes, affecting grave questions of *meum* and *tuum*, His Majesty made his cession, not to Lloyd's direct, but to the British Government—setting a sort of precedent to a more famous action of recent times, when, not the wreck of a man-of-war, but the wreck of an old republic, long wedded to the Adriatic, was in question. The decree of King Willem I., dated "Het Loo, the 23rd of May, 1823," after reciting that permission had been granted in 1821 "to private undertakers to fish up the wreck and to save the cargo of the English frigate Lutine;" that more recently several diplomatic notes had been exchanged on the subject with the British Government; and that, finally, "by our Minister of Foreign Affairs, we have offered to the King of Great Britain to cede to his Majesty all that which by our decree of the 14th of September, 1821, was reserved to the Netherlands in the bottom in question and the cargo therein, doing so solely as a proof of our friendly feeling towards the Kingdom of Great Britain, and in nowise from a conviction of the right of England to any portion of the said cargo," ordered as follows:—

"We have been pleased and thought fit—

"1. To cede to His Majesty of Great Britain all that which by our decree of the 4th September, 1821, was reserved in favour of the kingdom relative to the cargo of the frigate Lutine.

"2. To instruct our minister of inland affairs and the maritime department—Water Staat—to give notice of this our decree, as well as of the cession made on the part of His Majesty of Great Britain to the Society of Lloyd's, to our

chancellor of state, governor of North Holland, and to the other authorities concerned, as well as to the participators in the undertaking of 1821 in the Netherlands, and to inform them likewise that an English agent will ere long wait upon them, in order to make all such arrangements and agreements with them as may be deemed advisable for the furtherance of their mutual interests. And our ministers for Inland Affairs and the maritime department, and for Foreign Affairs, are charged with the carrying out of this decree." The decree, signed Willem, was countersigned by the "Water Staat" minister, J. G. de Mey Van Streefkerke.

The gift, such as it was, of the half of the wreck of the "Lutine" placed the members of Lloyd's in a somewhat strange position. In order to profit by the cession decreed by King Willem, it was requisite that an understanding should be come to with Mr. Eschauzier's company; but the latter, looking with jealous eyes upon their new partners, and holding, with the majority of their countrymen, that the gift made to them had been in some manner extorted from the government, showed the utmost reluctance to enter into any agreements, and for a time it seemed as if nothing whatever would or could be done. Some arrangements for making another attempt to raise the treasure of the "Lutine" were entered into between Lloyd's and Mr. Eschauzier's company in the spring of 1830, but the political events of August of the same year, which resulted in the separation of Belgium from the Netherlands, put a stop to all farther action, as well as negotiation, in the matter. The creation of an independent Belgium being generally considered an act for which Great Britain was primarily answerable, the people of the Netherlands for some years indulged in violent animosity against everybody and everything of British birth and make; and not even the temptation of riches easily to be gotten out of gold wrecks would induce the yoke-partners of Lloyd's in the "Lutine" speculation to enter into binding arrangements. What made matters worse was that Mr.

Eschauzier, a man not only enthusiastic, but of enlightened views, and remarkably free from the national prejudices of his countrymen, had died some years before, and left his share in the salvage company to persons who both disliked the new-comers from England, and did not believe in the enterprise he had set on foot. Thus there came to be an almost complete collapse, and more than a quarter of a century elapsed before anything further was done towards effecting the salvage of the "Lutine."

A first incentive to fresh action on the part of the company of Dutch salvors formed in 1821, and which led ultimately to the enterprise being taken up again, occurred in the year 1846. Speculating upon the chances of making a fortune by a fishing excursion to the coast of Holland, two English divers of experience, E. Hill and H. Downs, temporarily out of employ, had the inspiration of petitioning the King of the Netherlands directly, without undue ceremony, asking to be allowed to pick as much gold as they could lay hands on from the hold of the "Lutine." It was a rather startling demand; but what was still more startling was, that the demand was, if not absolutely granted, yet not refused. According to a wholesome custom ruling at the Hague, the petition of the two English divers, quaint as it was, underwent the usual careful examination; and the result was the discovery that there stood really nothing in the way of the petitioners, or indeed of anybody else, of fishing for the "Lutine's" sunken treasure. It was found that, under one of the articles, numbered 550, of a new code of maritime law, passed by the States General of the Netherlands in the year 1838, the salvage of vessels wrecked "on the outer banks of the coast" was thrown open to all persons, under stipulated conditions, and that the "Lutine" wreck was coming within the provisions of Article 550. This having been ascertained, the Government of the Netherlands formally notified to Messrs. Hill and Downs that under the existing law they were not competent to grant the right of salvage from the "Lutine" to any par-

ticular person, to the exclusion of others; but that, while the ground was free, the royal decree of May 23, 1823, willed that "one-half of all that might be found must be given up to Lloyd's." Notwithstanding this gratifying communication, the two English divers came not upon the scene, perhaps having got some permanent employment. However, the publication of the proceedings had the effect of bringing forward the old Dutch salvors, and their representatives, in the company formed by Mr. Pierre Eschauzier, the "Opper Strand vonder;" and they opened, soon after, negotiation with the Committee of Lloyd's.

The negotiations, after slowly creeping on for nearly nine years, ended finally in the conclusion of a treaty, which stipulated that a new company, legal heir of the one established by Mr. Eschauzier, should once more begin the work of salvage, paying over one-half of the gross proceeds to Lloyd's. The directors of the company styled the "Commission of shareholders charged with the direction of the enterprise of the 'Lutine,'" were Mr. J. Reedeker, Mr. J. S. Rotgans, Mr. H. Lodewyk, and Mr. Jeen P. Brand Eschauzier, the last-named, the son of the founder of the original company, representing not only the interest of his family, but taking a leading part in the enterprise. Work commenced in August, 1857, and the first results were highly encouraging, owing to an unexpected turn of good fortune. A portion of the shifting sands, under which the "Lutine" had now so long lain buried, was swept away by a fierce north-westerly gale of unusual duration, the effect being the opening up of the old "Iron gate" which permitted approach to the wreck. The news was communicated to Captain Halsted, secretary of Lloyd's, in a letter dated September 1, 1857, from Mr. Bak, sub-agent of Lloyd's at the Texel, who had gone to Terschelling to watch the salvage operations. "I feel most happy to inform you," wrote Mr. Bak, "that the new efforts to save the value out of the Lutine has not been without success. Yesterday there was recovered, by means of divers and pincers,

13¼ silver coins, being Spanish piastres;
1 gold Louis d'or;
5 brass hoops and casks;
a quantity of cannon and shot.

"Considering the value of the saved objects, it may not be of much signification; but the salvage itself is of very great importance, as it proves two facts, namely, first, that the wreck of the Lutine really has been found, and, secondly, that there is specie still in the wreck. As soon as anything more is picked up, I will inform you immediately thereof. Be assured, I have taken the necessary steps to secure the interests of Lloyd's committee, as owners of the treasure, which we hope may entirely be saved." The letter was followed by others, reporting the salvage of more specie, one of them, under date of September 5, 1857, giving the important information that "the vessel is entire," and that "her position has been exactly determined." Operations were now pushed forward with great energy, under the direction of Mr. John Mavor Hill, general agent of Lloyd's at Amsterdam, who was acknowledged in his official position by the Government of the Netherlands. Hearing from Mr. Bak towards the end of September that the news of the discovered "gold wreck" had spread with amazing rapidity among the fishing population of the Zuyder Zee, and all along the coast of the German Ocean, and that there were already "sixty-eight large and well-manned boats in the immediate neighbourhood looking for plunder," Mr. Hill put himself into communication with the government, and obtained the grant of a gun-boat, with a small party of soldiers on board, for the protection of the wreck and the diving operations. The government of King Willem III., besides, performed the courteous act of lending to Lloyd's and the Dutch salvage company a large diving-bell, extremely well adapted for the operations, and with the aid of it a very considerable quantity of treasure was got up from the wreck before the middle of November, 1857. During the next four or five winter months, the operations

came to a practical standstill on account of the weather, but they began again with renewed vigour in the summer of 1858—a summer bringing a golden harvest to Lloyd's.

In the midst of the hauling-up of treasure, consisting of gold and silver bars, Spanish pistoles, and Louis d'or, there came in a highly interesting memorial of the "Lutine" in the summer of 1858. On the 17th of July the divers brought to daylight, with tremendous exertions, the bell of the old thirty-two-gun frigate, dumb at the bottom of the sea while two generations of men had come and gone. The bell, weighing upwards of eighty pounds, was found perfectly well preserved, with its cast ornaments clean as from the factory, the date of its birth conspicuous at the side, above it the royal crown and arms of Bourbon, and around the rim the inscription "Saint Jean," denoting, probably, the name of the saint under whose special protection all men and things on board "La Lutine" were placed when she first glided into the waters as a war-ship of His Majesty King Louis XVI. of France. Not far from the place where the bell was found, there was dug out of the sands the broken rudder of the "Lutine," and both bell and rudder were taken to Lloyd's, in the library of which they still form conspicuous objects, the rudder converted into a large table with corresponding arm-chair, handsomely carved, and the bell standing at the foot-board of the table, partly wrapped in the massive rudder chain. The thronged rooms of Lloyd's possess in bell and converted rudder their most singular "message from the sea."

The salvage operations on the wreck of the "Lutine" continued through the summer of 1858, and, interrupted at the end of September by gales which had other consequences than driving the divers from their post, were taken up again in 1859, and, in a feeble manner, in the following two years, when they came to a standstill, the work having been for some time utterly unproductive. In October and November of 1858, the same terrible north-westerly gales which before had opened the channel of the "Iron Gate"

closed it afresh, and the sea and sands once more claimed their own again. According to Dutch reports, the total salvage from the "Lutine" in the two years 1857 and 1858 amounted, in realized value, to 470,441 guilders, or £39,203, while during the year 1859 the total amount realized was not more than 58,225 guilders, or £4,852. In the following two years, 1860 and 1861, when operations were still carried on at intervals, the proceeds sank to 821 florins, or £68.

The net proceeds of the treasure forwarded to England and sold for the benefit of Lloyd's amounted, up to the end of September, 1858, when the first accounts were closed, to £19,830; and at the end of the year 1859, when the salvage operations ceased, the total amount received was £22,162 6*s.* 7*d.*, which, with accrued interest, has now grown to upwards of £25,000. In the Act of Incorporation of Lloyd's granted by Parliament in 1871, the property recovered from, as well as that still remaining in the wreck was referred to at some length, and sanction given that "the Society may from time to time do, or join in doing all such lawful things as they think expedient, with a view to further salving from the wreck of the Lutine." It is a matter of pure speculation whether any and how much of the treasure which is probably still lying buried at the entrance of the Zuyder Zee will ever be recovered. As with many another wreck, the sands and the tides hold the secret of the "Lutine."

In all the salvage operations undertaken in 1857 and following years, the calculations of Mr. Pierre Eschauzier as to the treasure in the "Lutine" were fulfilled to a remarkable degree, although it was found that the probable amount of bullion was considerably larger than by his estimates. The sagacious "Opper Strand vonder" only knew of six letters marking gold bars, which were VB, M L L, H S, P C, W, and S I, these being the marks upon the thirty-one bars fished up in the years 1800 and 1801. But the salvage of 1857 and 1858 added to these four more letters, namely B B, H B, M L, and F, so that, assuming each of the latter to be composed of as many numbers as

figured in Mr. Eschauzier's highly probable estimate, the total number of gold bars shipped in the "Lutine" would amount to just one thousand, instead of only six hundred. Adding the salvage of the years 1800-1 to that of the years 1857-1858, there were altogether taken from the wreck of the "Lutine" the following gold bars :—

Letter	VB	19	numbers.
„	MLL	23	„
„	HS	11	„
„	PC	4	„
„	W	4	„
„	SI	7	„
„	BB	10	„
„	HB	4	„
„	ML	2	„
„	F	2	„

Total 86 bars of gold.

It will be seen that, if the assumption upon which the enterprising gentleman of Terschelling, who intimately connected his name with that of the "Lutine," be at all correct, there still remained within the wreck, when the last salvage operations ceased, the vast amount of nine hundred and fourteen gold bars. As to bars of silver, the total that were recovered had five letters, namely, G, AL, SS, MS, and SSC, and on the assumption of each having one hundred numbers, like the gold bars, the total would be represented by five hundred, or just one-half of the presumed quantity of gold bullion. There were actually taken from the wreck, in the whole of the salvage operations, the following silver bars:—

Letter	G	68	numbers.
„	AL	14	„
„	SS	11	„
„	MS	3	„
„	SSC	1	„

Total 97 bars of silver.

On the basis of the estimate of Mr. Eschauzier, there would thus remain four hundred and three bars of silver in the wreck of the "Lutine." According to the last estimate of the Dutch salvors, partners of Lloyd's in the "Lutine" —estimate based chiefly on the calculations of Mr. Eschauzier —the total value of the bullion and specie originally on board the wreck was 14,100,000 guilders, or £1,175,000, while the value of the treasure saved was 1,198,727 guilders, or £99,894, thus leaving not less than treasure to the amount of 12,901,273 guilders, or £1,076,107, still within the sand-imbedded timbers of the old frigate. The following table shows more concisely the figures put forward by the salvors, and given as endorsed by Mr. John Mavor Hill, Lloyd's agent at Amsterdam :—

	Guilders.	£
Salvage in the year, 1800 and 1801	669,240	55,770
„ „ 1857 „ 1858	470,441	39,203
„ „ 1859 to 1861	59,046	4,920
Total salvage . .	1,198,727	99,893
Total calculated treasure in the wreck	14,100,000	1,175,000
Remainder	12,901,273	1,076,107

If these calculations be but approximately correct, any continuation of stiff north-westerly gales, blowing with solidity over the German Ocean into the Zuyder Zee, may waft a princely fortune to Lloyd's.

There is little probability that the members of Lloyd's will soon forget the "Lutine," seeing that the eyes of all the visitors to the library must rest daily upon the conspicuous-looking table and chair made out of the rudder, and upon the bell and chain of the unfortunate thirty-two-gun frigate. To impress their presence still more upon the memory, there are inscriptions on both table and chair, that on the former running as follows :—

"H. B. M. Ship La Lutine
32 Gun Frigate

Commanded by Captain Lancelot Skynner, R.N.
Sailed from Yarmouth Roads
On the morning of the 9th October, 1799, with a large amount of specie on board,
And was wrecked off the Island of Vlieland the same night.
When all on board were lost except one man.

"The rudder of which this table was made and the rudder chain of the bell, which the table supports, were recovered from the wreck of the ill-fated vessel, in the year 1859, together with a part of the specie, which is now in custody of 'The Committee for managing the affairs of Lloyd's.'"

The inscription on the arm-chair, high-backed and grand in appearance, fit to be a throne for the doges of the Republic of Lloyd's, is as follows:—

"This chair
is made from the wood of the rudder of
H. B. M. Frigate La Lutine
Which sailed from Yarmouth Roads,
On the morning of the 9th October, 1799,
With a large amount of specie on board,
And was wrecked the same night off
The Island of Vlieland, when all on board perished
With the exception of one man.

The rudder was recovered from the wreck in 1859,
Having been submerged 60 years."

The story of the "Lutine," briefly told in these inscriptions, is one that is remarkable in several respects, not only on account of the many singular incidents in the history of a war-ship, born in France, then employed by England against France, and finally perishing mysteriously in Dutch waters, but more so as to the large questions it opens as regards the permanent claims of underwriters to vessels and their contents for which they paid as total losses. Strewn as is the ocean-bed with wrecks, the "Lutine" as yet is the only "golden wreck" that has come floating into Lloyd's.

CHAPTER XII.

LLOYD'S ON ITS EMINENCE.

AT the commencement of the eighteenth century, the position of Lloyd's had become a very singular one, resembling, though only superficially, that of the East India Company. Like the body of simple merchants who from their offices in Leadenhall-street ruled an immense empire, so the directors of Lloyd's, humbly styled the "Committee for managing the affairs of the Coffee-house," exerted a far-reaching sway over British commerce, influenced the movement of merchant fleets, and were acknowledged by the government as the heads of a powerful institution. Prime-ministers had to keep on good terms with Lloyd's, were it only to obtain the earliest news of what was going on all over the world, reports of important events usually reaching the Coffee-house in the Royal Exchange some time before getting to Westminster and Whitehall; and in all questions concerning the protection of the kingdom's foreign commerce, whether referring to the convoys assigned to merchantmen in time of war, or to treaties of shipping and navigation with other countries, the Committee of Lloyd's tacitly assumed towards the government the position of a power in the state. It could not be but a matter of just pride and gratification to the

body of the members of Lloyd's; but the pride, if it existed, was an ennobling one, engendering the resolution of worthy deeds. Two such, standing forth as singularly notable achievements of Lloyd's, were accomplished within a couple of years, at the commencement of the nineteenth century, the first the institution of life-boats around the coasts of Great Britain, and the second the establishment of the famous Patriotic Fund.

In the institution of life-boats the members of Lloyd's took a leading share, owing to a rather curious combination of accidental circumstances. The inventor of life-boats was Henry Greathead, a native of Richmond, in Yorkshire, born January 27th, 1757, the son of an excise officer. Having learned the trade of boat-builder at Shields, he went to sea after the expiration of his apprenticeship, embarking in 1779 as ship's carpenter in a voyage to the West Indies. The vessel in which he sailed, nominally bound for the Island of Granada, had, in reality, a quite different destination—that of being wrecked on the Goodwin Sands. It had become a sort of business at the time to scuttle vessels, or run them wilfully on shore, so as to defraud the underwriters, and it was on this errand that the vessel in which Henry Greathead found himself had left Shields. Being a shrewd man, much given to reflection, he saw the state of affairs at a glance, perceiving that the vessel had but an insignificant cargo, while he knew that she was heavily insured. Communicating his suspicions to some of his shipmates, they kept on their guard, and managed even to keep clear of the Goodwin Sands, but only to incur their destined fate a little further on the road. Seeing himself foiled in his intentions, the captain turned the head of the vessel upon the French coast, succeeding at last to run her upon a sand-bank not more than a couple of miles from Calais Harbour. His next movement was to take, in company with the mate, to the best boat, to get back to England, but before he could accomplish his purpose, the crew, strongly objecting to be drowned for the benefit of

other parties, had sent up distress signals. The consequence was that, in the course of half an hour, a number of boats, some of them manned by soldiers, had come from Calais and taken possession of the vessel. England being at war with France, the good people of Calais rejoiced at having got, at very little trouble, another prize.

Nothing daunted by his ill success in not getting back to England, the captain under whom Henry Greathead served went before the authorities at Calais, making an affidavit that his vessel had been lost by stress of weather, and calling upon all the crew to sign a document affirming it. A few did so, but Henry Greathead not only absolutely refused, but induced several others not to lend themselves to a false statement intended for a fraud. To prevent it, he moreover put himself in communication with Lloyd's, and the consequence was that the underwriters refused to pay upon the policy, directing the owners to the law courts, an intimation which they were careful not to follow. The honest and manly conduct of Henry Greathead, while it gained for him the gratitude of the underwriters in London, whom he had rendered a welcome service, likewise obtained him respect in France, and while the captain of the stranded ship was retained at Calais, he was allowed to leave in a ransomed vessel for Portsmouth. Having had enough of the sea by this time, Henry Greathead intended to make his way back to Shields, and, if possible, to set up in business as a boat-builder, but—for the good of the world, if not his own—he was foiled in his object when landing in England. His Majesty's navy being short of hands, the work of impressment went actively on at Portsmouth, and the ship's carpenter of Shields had a narrow escape from entering involuntarily into the royal service, he effecting his safety only by going away overnight in a Scotch brig, the "Aldie," Captain Brown, the canny commander of which managed to evade the vigilance of the impressment officers.

However, the escape proved but a reprieve after all. Henry Greathead arrived safely in the "Aldie" at her des-

tination, a port in the West Indies, and there engaged on another homeward-bound vessel, which was, however, captured shortly after by an American privateer. Offered to take service against the troops of his country, he declined, although being offered highly advantageous terms, a rank and liberal pay, and he was thereupon sent, in an exchange of prisoners, to New York, where he again had sight of British men-of-war, and of impressment companies. In reward for his loyalty in refusing to become an officer among the "rebels," the captain of a British sloop-of-war, the "Scorpion," had him seized by the neck one day, and carried him off on board the ship to enter upon the duties of a common sailor, undergoing infinite hardships. From the "Scorpion" he was transferred to the "Vulture," another sloop-of-war, where the treatment was even worse, relieved only on his promotion to the post of assistant carpenter. While filling this place, the "Vulture" made a long stay in various North American ports where shipbuilding was going actively, which was an opportunity to Henry Greathead to follow the bent of his mind, entirely running in the direction of his trade. He studied hard; made designs of all that he saw and heard of; and in leisure hours, which became more frequent as time went on and his position improved, made models of improved rowing and sailing boats. The "Vulture" being ordered home at the end of 1783, after the conclusion of the peace of Versailles, Henry Greathead returned to England, and, in the summer of 1784, had the happiness of embracing his beloved parents, his father living on a pension at South Shields. Here he settled down also to carry on the trade he had learnt in a humble way. Of money he had very little; but, if his purse was all but empty, his head contained a great idea—the life-boat.

His first attempts to carry the schemes that were floating through his mind into execution were not very successful. Poverty stood in the way both of his making experiments and of continuing his studies, and a marriage with a poor

girl he loved, contracted the year after he had set up in business, while it added to his happiness, did not improve his worldly circumstances. Still he did not abandon his plans; but, seeing that he would be quite unable to carry them out unassisted, he resolved to communicate them to others, addressing himself, in the first instance, to the underwriters with whom he had been in correspondence while at Calais, Mr. James Forsyth and Mr. Peter Warren, the latter a partner for some time of Mr. Angerstein. To his great joy and surprise, they not only sent him a liberal donation, but informed him that the designs he had sent them had been examined by competent persons, and had been pronounced very good, and likely to accomplish the purpose he had in view, that of constructing a boat able to ride safely in a rough sea. Full of new energy, Henry Greathead now set to work afresh, and spent several years upon trials, in which he rejected one model after the other, his plans changing and developing with his ascertaining defects and devising remedies for them. Throughout his labours he received constant encouragement, both in advice and substantial help, from the friends he had found at Lloyd's, one of whom, Mr. Warren, recommended him to the Duke of Northumberland. The latter at once took a great interest in the work engaged in by Henry Greathead; and having visited him at his place of business, personally examining all the designs and models submitted to him, made the promise to pay all the expenses connected with the actual building of a first boat for the rescue from the sea of shipwrecked or other persons. Mr. Greathead wished to call his construction the Safety Boat; but the duke, with a keen sense of the value of giving an article a good name, overruled this intention, and by his advice the new vessel came forth to the world as the Life Boat. Early in the autumn of 1789, Henry Greathead launched his first boat, giving her the well-deserved name of the "Northumberland."

It appears, from a description sent by Mr. Greathead to Lloyd's, that his life-boat, the "Northumberland," was

thirty feet long, and ten feet in breadth, manned by ten men "double banked," and steered by two more men with oars, one at each end, the shape being the same fore and aft. It was stated by the inventor, with becoming pride, that it was arranged at first that all the men should wear cork jackets, so as to provide for any possible accident; but that after a few trials the South Shields boatmen got so confident of the absolute safety of the "Northumberland," that they threw aside the cork jackets, declaring them quite needless, and only an incumbrance to the free movement of their arms. The first actual service of Henry Greathead's life-boat took place in the middle of November, 1789, when she went off from South Shields to the relief of the sloop "Edinburgh," of Kincardine, which was seen in distress on the Herdsands, about a mile and a half from the shore. It was related in the papers, which gave an account of the affair, on the report of Ralph Hillery, one of the men in the "Northumberland," that the "Edinburgh" was sinking when the life-boat got near, but that there was just time enough to take off her crew of seven men, which were safely brought to shore through a sea "so monstrous high, that no other boat whatever could have lived in it."

The narrative, repeated on all sides, made a great impression at the time, and there was a general cry for life-boats, which, however, remained a cry and nothing more for several years to come. Soldiers, war-ships, cannon, and gunpowder engrossed the attention of the British Government so exclusively as to exclude even the idea of life-boats being built at the public expense, and the reply given from the treasury bench, to an interpellation in the House of Commons during the session of 1801, was that the construction of such boats was a work that should be left to "private enterprise." It ought to have been said "private generosity," it being evident that the establishment of life-boats along the extensive coast-lines of Great Britain and Ireland, even if selecting only the most important places, could never be a concern remunerative to those who carried

it out, however rich in results, and measured by the saving, not so much of property as of human lives. The government declining the work, and no more wealthy persons coming forward to imitate the example of the Duke of Northumberland, the matter was taken in hand by Lloyd's.

On the initiative of Mr. John Julius Angerstein, whose public spirit had shown itself already on many occasions, a resolution was laid before a general meeting of the subscribers of Lloyd's, held on the 20th of May, 1802, "That the sum of two thousand pounds sterling be given out of the Funds of this House into the hands of a Committee for the encouragement of life-boats being instituted in different parts of the coasts of the three kingdoms, to be under certain restrictions, such as that the parties applying to engage to man and take care of the boats at the different places do so at their own expense." It appears, from reports made at various times to the committee of Lloyd's, that the two thousand pounds voted at the general meeting were spent in the building and equipment of fourteen life-boats, respectively stationed at Hartlepool, Redcar, Whitby, St. Andrews, Lowestoft, Bantry Bay, Ayr, Bideford, Christchurch, Aldborough, Newhaven, Arbroath, Exmouth, and Mount's Bay. Subsequent donations went to the building of more life-boats, and the great and useful enterprise, which accomplished the saving of tens of thousands of lives that would otherwise have perished, was actively kept going by Lloyd's till taken in hand, in 1824, by the now flourishing National Life Boat Institution, under the presidency—than which nothing could be fitter—of the Duke of Northumberland.

Closely following upon the decision of the members of Lloyd's to encourage, by liberal and effective aid, the building of life-boats, came that for its establishment of the "Patriotic Fund"—first of the name. The idea of it originated with Sir Francis Baring, M.P., and Mr. John Julius Angerstein, and sprang directly from the important events that occurred at the commencement of 1803, and which resulted in the

declaration of war against France on the 18th of May of the same year. Two months later, on the 20th of July, 1803, there was held on the first floor of the Royal Exchange, under the presidency of Alderman Sir Brook Watson, Chairman of Lloyd's, a general meeting of the members of Lloyd's, more largely attended than any on record, at which the institution of the Patriotic Fund was decided by a unanimity of votes. Seven resolutions were passed, as follows:—

1. "Resolved, That in a conjuncture when the vital interests of our country, and the peculiar blessings which, under our beloved Sovereign and happy Constitution, endear our social state, are involved in the issue of the present contest; when we are menaced by an enemy, whose haughty presumption is grounded only on the present unfortunate position of the Continental Powers; and when we seem to be placed, for the moment, as the last barrier against the total subjugation of Europe by the overbearing influence of France, it behoves us to meet our situation as men, as free men, but, above all, as Britons. On this alone, with the Divine Aid, depends our exemption from the yoke of Gallic despotism; on this alone depends, under the same Protecting Power, whether this Empire shall remain what it has for ages been, the strenuous supporter of religion and morals, the assertor of its own, and the guardian of the liberties of mankind, the nurse of industry, the protector of the arts and sciences, the example and admiration of the world, or whether it shall become an obsequious tributary, an enslaved, a plundered, and degraded department of a foreign nation.

2. "Resolved, That to give more effect and energy to the measures adopted by the government for the defence of our liberties, our lives and property; to add weight to those personal exertions we are all disposed to contribute; it behoves us to hold out every encouragement to our fellow-subjects who may be in any way instrumental in repelling or annoying our implacable foe; and to prove to them that we are ready to drain both our purses and our veins in the

great cause which imperiously calls on us to unite the duties of loyalty and patriotism with the strongest efforts of zealous exertion.

3. "Resolved, That to animate the efforts of our defenders by sea and by land, it is expedient to raise, by the patriotism of the community at large, a suitable fund for their comfort and relief, for the purpose of assuaging the anguish of their wounds, or palliating, in some degree, the more weighty misfortune of the loss of limbs; of alleviating the distresses of the widow and orphan; of smoothing the brow of sorrow for the fall of dearest relatives, the props of unhappy indigence, or helpless age; and of granting pecuniary rewards, or honorable badges of distinction, for successful exertions of valour or merit.

4. "Resolved, That a subscription, embracing all the objects stated in the foregoing resolution, be now opened; and to set an example to the public bodies throughout the United Kingdom and its dependencies, and to our fellow subjects of every class and denomination, that, *independently of our individual contributions*, the sum of *twenty thousand pounds Three per cent. Consolidated Annuities*, part of the funded property of this Society, shall be appropriated to this purpose.

5. "Resolved, That on Friday, the 29th instant, at twelve o'clock precisely, a general meeting of the subscribers to this Fund be held at this House, for the purpose of appointing their Committee, and that the Committee of the House be requested to become, and are hereby constituted, a Committee ad interim, for the receipt and management of the subscriptions, and other purposes expressed in these resolutions.

6. "Resolved, That the Committee of this House, and the bankers in the metropolis and in the cities and towns of the United Kingdom, be requested to receive subscriptions, and that such part of the Fund as shall not be used for the purposes now intended be returned in proportion to the sums subscribed.

7. "Resolved, That all sums, however small, which shall be offered by the patriotism of the poorer classes of our fellow subjects, shall be accepted, the cause affecting equally the liberties and lives of persons of every description."

Appended to these resolutions, and issued with them as an appeal to the public from Lloyd's, was an eloquently worded declaration, drawn up, like the former, by Mr. John Parr Welsford, appointed secretary of the "Committee for managing the Patriotic Fund." It ran: "The merchants, underwriters, and other subscribers to this House, having this day met for the purpose of setting on foot a general subscription, on an extended scale, for the encouragement and relief of those who may be engaged in the defence of the country, and who may suffer in the common cause, and of those who signalize themselves during the present most important contest; and feeling confident that, when our very existence as a great and independent nation is at stake, it only becomes necessary to point out any means by which the exertion of our native spirit, and the application of our powerful resources, may receive an additional stimulus, they beg leave to submit to the liberal consideration of their fellow-subjects the following resolutions, which have been unanimously passed at this meeting, and presume to hope that the object of this subscription will be so promoted and sanctioned by public bodies in general, by the higher ranks and opulent classes of society, and by individuals of every description, that the mite of the labourer, combining with the munificent donation of the noble and wealthy, shall be the best pledge of our unanimity; shall inspire our seamen, our soldiers, and our countrymen at large, with a well-grounded confidence in the liberality and gratitude of the community; and shall impress on the minds of our enemies the strong conviction that the energies of this great Empire are as irresistible as its resources are incalculable."

The institution of the Patriotic Fund by the members of Lloyd's created boundless enthusiasm throughout the country. The appeal for contributions was immediately

responded to from all sides, and upwards of twenty thousand pounds were received in a few days. At the first meeting of the subscribers to the Patriotic Fund, held at Lloyd's rooms on the 29th of July, 1803, a general committee of fifty members, chiefly underwriters and brokers, was chosen to manage the undertaking, which large body took the resolution, at a subsequent meeting, on the 2nd of August, to centralize itself into a ruling "committee of treasury," consisting of seven persons, namely, Sir Francis Baring, Bart., M.P.; Mr. John Julius Angerstein; Mr. Thomson Bonar; Mr. Robert Shedden; Mr. Thomas Reid; Mr. Richard Lee; and Mr. John Mavor. It was resolved at the same time that three trustees should be appointed "for the purchase and sale of stock, or other Government securities, for the purposes of this institution," and Sir Francis Baring, Mr. Angerstein, and Mr. Thomson Bonar were selected to fill the posts. The work falling into the hands of the seven members of the "committee of treasury," who became the virtual managers of the Patriotic Fund, was naturally a most laborious one; but, heavy as was the toil and great the responsibility, they shrank not to relinquish for the time almost all their ordinary avocations, important as they were, to devote themselves with heart and soul to the task imposed upon them. It was little less than to sit in judgment on the deeds performed by British valour, daily and hourly, all over the world, in one of the most gigantic contests ever engaged in by the nation. The work, when once it became known widely in the army and navy on active service, was so thoroughly appreciated, that a reward of a medal, or a sword, inscribed "From the Patriotic Fund, at Lloyd's Coffee House, London, to X. X." was as highly appreciated as a government reward. Officers to whom swords, sometimes of the value of thirty, and sometimes of fifty pounds, were awarded for acts of gallantry, had always given to them the option of receiving the money instead of the token, but they invariably requested to have the latter from the honour-bestowers in the "coffee-house."

The desire of the founders of the Patriotic Fund, "that the mite of the labourers, combining with the munificent donations of the noble and wealthy, shall be the best pledge of our unanimity," was amply fulfilled, as shown by the first extended list of subscribers' names, made up to the 1st of March, 1804. It contained some striking instances of liberality, notwithstanding that not any of them could pretend to come near to the munificence of Lloyd's itself, with its grand subscription of twenty thousand pounds. Next to Lloyd's, if far below, came the Bank of England, and the East India Company, each with a subscription of £5,000, and then followed the Corporation of the City of London, giving £2,500. The three largest insurance companies, the Royal Exchange, the London Assurance, and the Sun Fire, subscribed each £2,000 to the Fund, and five of the city companies, the Fishmongers, the Grocers, the Golds miths, the Skinners, and the Merchant Taylors, contributed £1,000 each. But comparatively the largest amount of subscriptions came from private individuals, the members of Lloyd's distinguishing themselves by their extreme liberality. In the list of subscribers for the period of seven months ending the 1st of March, 1804, there were no less than fourteen names, either of individuals or firms, appended to which stood the sum of £1,000 given to the Patriotic Fund. The names of these liberal donors, were, in alphabetical order, Mr. John Julius Angerstein; Sir Francis Baring, Bart., M.P.; Mr. Thomson Bonar; Messrs. Down, Thornton, and Free; Messrs. Denison and Co.; Sir James Esdaile and Co.; Messrs. Benjamin and Abram Goldsmid; Messrs. Henry Hoare and Co.; Messrs. Moffatt, Kensington, and Styan; the Duke of Queensberry; Messrs. Robarts, Curtis, Hornyold, and Co.; Messrs. Smith, Payne, and Smiths; Messrs. Thornton and Bayley; and Mr. Thomas Warre. It will be seen that the liberality in contributions, exhibited in this list, manifested itself chiefly among the merchants of England, and that the wealthy titled and untitled nobility of the country were "conspicuous by their absence." Even when descending to

smaller, and indeed the smallest, contributions to the Fund, notified in the lists published at Lloyd's, there appeared singularly few names of the aristocracy. It seemed as if the feeling of patriotism, visibly manifested in gifts for an undeniably praiseworthy and effective object, was not for a time very strong among the higher ranks of English society.

But the appeal from Lloyd's, if it did not touch the chords of sympathy in the hearts of noble lords and ladies, did so all the more in those of the men and women of the middle and lower classes, down to the very humblest individuals of the land. How deep the enthusiasm aroused by the call from the "coffee-house" to subscribe to a Fund which "shall inspire our seamen, our soldiers, our countrymen at large, with a well-grounded confidence in the liberality and gratitude of the community," was shown by a vast number of small contributions. "A journeyman shoemaker" sent half-a-crown, the amount of contribution of many others, signing "A Maid Servant," "A Labourer," and so forth; and "three watermen of Shadwell Dock Stairs" forwarded the sum of five pounds, being probably a full week's earnings of the patriotic trio. Under the signature of "Morris, his two servants," there came 4*s.* 6*d.*; of "Morris, his four labouring men," 8*s.*; and of "Morris, his seventeen gathering girls," 8*s.* 6*d.*, the whole appended to "James Morris, gardener, Brentford," who put one guinea to his name, and another to that of his good wife. Nor were schoolboys less sympathetic with the object of the Fund than gardeners and their gathering girls. "The young gentlemen of the Jewish nation at Mr. Hurwitz's academy" collected five patriotic guineas among themselves; "the young gentlemen of Mr. Goodyer's academy" sent five pounds; and "the ushers and students of Gainsbro' school" got up to five pounds ten. All these enthusiastic young persons sent, very likely, the greater part of their possessions; but they were surpassed in liberality by a number of contributors classed in the report from Lloyd's under the general heading of "Army." One William Cooke, "a private in the Warwickshire militia," forwarded

five pounds, being, probable enough, the savings of his life; "a volunteer enlisted at Guildhall for the army of Reserve" sent a guinea; and in a great many regiments of the army and militia the officers and men subscribed from two days' to a week's pay. But perhaps grander than any other subscription that flowed into the Patriotic Fund was that of an anonymous donor of fourteen guineas, signed "The mite of a half-pay lieutenant, his wife, six sons and six daughters under age." A world of fervent patriotism seems to lurk behind the anonymous half-pay lieutenant, who, with a wife, and twelve young children around him, deprived himself of fourteen guineas—more than half a year's income—to testify to the truth proclaimed at Lloyd's, "that the energies of this great Empire are as irresistible as its resources are incalculable."

The total amount collected by the Committee of the Patriotic Fund during the first six years of its existence, ending July 1809, was £424,832, and the expenditure in the same period was £331,611, leaving a balance of £93,221. While the war continued, contributions to the Fund flowed in unabatedly, nearly all the members of Lloyd's, together with many city merchants, promoting the work by annual subscriptions. At the conclusion of peace, the labours of the committee naturally came to an end; but the accounts were not closed till the year 1826, when it was found that the total amount received by the Patriotic Fund from the commencement was £629,823 14*s.* 1*d.* The nation at large gave credit to Lloyd's for the foundation and management of the Fund, and while the "coffee-house" had before attracted but little attention, being almost unknown to any other but the commercial class, it quickly rose into an institution of great popularity. Not only did numerous articles in newspapers and magazines occupy themselves with describing the doings of Lloyd's as a society, but even the individual members of "the House," though far above a thousand in number, came to share more or less in the renown. In one of the many publications of the time deal-

ing with, or referring to, Lloyd's, the names of a batch of members, capable of being invested with some meaning, were drawn into a good-humoured doggerel. It was headed, "A Literal, Critical, and Poetical Transcript from Lloyd's," and ran as follows:—

"A *Black* and a *White*, with a *Brown* and a *Green*,
And also a *Grey* at Lloyd's room may be seen;
With *Parson* and *Clark*, then a *Bishop* and *Pryor*,
And *Waters*—how strange, adding fuel to fire—
While at the same time, 'twill sure pass belief,
There's a *Winter*, a *Garland*, *Furse*, *Bud*, and a *Leaf;*
With *Freshfield*, and *Greenhill*, *Lovegrove*, and a *Dale;*
Though there's never a breeze, there's always a *Gale*.
No music is there, though a *Whistler* and *Harper;*
There's a *Blunt* and a *Sharp*, many flats, but no sharper.
There's a *Daniell*, a *Samuel*, a *Sampson*, an *Abell*—
The first and the last write at the same table.
Then there's *Virtue* and *Faith* there, with *Wylie* and *Rasch*,
Disagreeing elsewhere, yet at Lloyd's never clash.
There's a *Long* and a *Short*, *Small*, *Little*, and *Fatt*,
With one *Robert Dewar*, who ne'er wears his hat.
No drinking goes on, though there's *Porter* and *Sack*.
Lots of Scotchmen there are beginning with *Mac:*
McDonald to wit, *Macintosh* and *McGhie*,
McFarquhar, *McKenzie*, *McAndrew*, *Mackie*—
An evangelised Jew, too, and infidel Quaker.
Then there's a *Bunn*, and a *Pye*, with a *Cook* and a *Baker*,
Though no tradesmen or shopmen are found, yet herewith
Come a *Taylor*, a *Saddler*, a *Paynter*, a *Smyth;*
Also *Butler* and *Chapman*, with *Baker* and *Glover*
Come up to Lloyd's room their bad risks to cover.
Fox, *Shepherd*, *Hart*, *Buck*, likewise come every day;
And though many an ass, there is only one *Bray*.
There's a *Mill* and *Miller*, *A-dam* and a *Poole*,
A *Constable*, *Sheriff*, a *Law*, and a *Rule*.
There's a *Newman*, a *Niemann*, a *Redman*, a *Pitman*,
But to rhyme with the last there is no other fit man.
These, with *Young*, *Cheap*, and *Lent*, *Luckie*, *Hastie*, and *Slow*,
With dear Mr. *Allnutt*, *Allfrey*, and *Auldjo*,
Are all the queer names that at Lloyd's I can show."

By a somewhat singular coincidence, the leaders of Lloyd's during the period of high eminence which it reached in the course of the Napoleonic wars, a period the outset of which

was marked by the establishment of the Patriotic Fund, were, like the originators of marine insurance in England, of German extraction. The two acknowledged leaders were the founders of the Fund, Sir Francis Baring and Mr. John Julius Angerstein. Sir Francis, whose transactions at Lloyd's as an insurance broker reached an extent unparalleled before and after that time—a single one of his insurances, effected in several policies, on the treasure-laden thirty-gun frigate "Diana," from Vera Cruz to England, amounting to £631,800, each of the underwriters taking "lines," mostly at four guineas per cent. premium, of from £1,000 to £10,000, and the mere stamp duties coming to £1,580—was the third son of Johann Baring, an industrious native of Germany, with a genius for trade and finance.

Johann Baring, who arrived in England at the commencement of the eighteenth century, came of a highly intellectual stock, his father, grandfather, and great-grandfather having made themselves names as authors, still held in good repute in Germany. But the father of Johann, Franz Baring, pastor of the old Lutheran church of St. Ansgarii, in Bremen, had a very numerous family; and being unable to start his children, nearly all sons, as he wished, on his slender pastoral resources, but little augmented by authorship, he bid them early go forth into the world. Johann Baring, when still a lad of sixteen or seventeen, came to England, engaged for a few years in clerkly duties, studied hard, amassed a little money, and finally settled down as a cloth merchant and manufacturer at the little village of Larkbear, near Exeter. He was still quite a young man when setting up in business for himself, but any want of experience was compensated for by extreme zeal and sagacity, both exhibited to such an effect as to make him one of the leading men of the town and district where he had settled. Having amassed a considerable fortune, Johann Baring was able to carry out the dearest wish of his heart, which was to give the best obtainable education to his sons, four in number, John, Thomas, Francis, and Charles. But he died early, and while the first, second,

and fourth remained at home, the two eldest carrying on their father's business, Francis, born April 18, 1740, came early to London, where, after finishing his education at "Mr. Fuller's Academy in Lothbury," he set up in business as an importer of wool and dyestuffs, also acting as agent for the Larkbear cloth factory. Starting with a fixed determination to become rich, and having a fair amount of money to begin with, he was uniformly successful in all his designs: nothing failed that he undertook, and whatever he touched became gold. Having amassed a fortune by dealing in cloth, wool, and dyestuffs, he resolved to quintuple the fortune by dealing in money itself—that is, to be a banker. As was natural, the successful man also became the honoured man, a leading director of the East India Company, and the friend and adviser of the Premier, Lord Shelburne, who invariably followed his counsel in matters of finance. After obtaining a seat in Parliament for Exeter, the son of Johann Baring was made a baronet, under patent of May 29, 1793, by William Pitt, Shelburne's successor in the government after the short interregnum of the Duke of Portland. Valuing the friendship of the shrewd man of finance, William Pitt, as much as the Earl of Shelburne, listened to the counsel of Sir Francis Baring, both statesmen delighting to style the reputed possessor of two millions on all occasions "the Prince of Merchants."

If not so high in fame, nor so wealthy, as Sir Francis Baring, Mr. John Julius Angerstein was not by any means in lesser repute at Lloyd's, being looked upon by all the members as one of the pillars of the coffee-house. As mentioned in a preceding chapter, Mr. Angerstein was born of German parents at St. Petersburg in 1735, and was therefore the senior of Sir Francis Baring by five years. Like the latter, he became during the war period one of Pitt's financial advisers, and originated important measures in several instances. In a biographical sketch of Mr. Angerstein which appeared at the time the Patriotic Fund was started in an annual magazine, going by the title of

"Public Characters," the following somewhat quaint account is given of one of these measures. "Another prominent object of public good," says the writer, "was effected by the zeal and activity of the subject of this memoir, in respect to the subject of the issuing of Exchequer Bills. In or about the year 1793 there was an alarming want of confidence—the worst want that commerce can experience. This arose from a variety of causes, and, among the rest, the non-arrival of fleets long expected from various quarters. The great public evil originating from the then situation of France is also too obvious to every man acquainted with public business to require mention here; for trade dropped, and was shorn of half its honours and advantages from that circumstance alone. To re-establish commercial credit, therefore, Mr. Angerstein, after much opposition from some of the first merchants of the city—the motives for which we will not at this distance of time scrutinize—was the sole means of procuring for Mr. Pitt a loan through the medium of Exchequer Bills. This had for its object the assisting merchants to realize a sum of money which lay dormant in colonial produce to an amount almost incalculable. The measure was fully adequate to the exigence; yet it is but simple justice to remark that Mr. Angerstein was equally disinterested in the application and the success arising from it, except in respect to the private gratification which always results to a good citizen from the establishment and diffusion of public good."

The eulogistic biographer of Mr. Angerstein finishes by stating that in his position at Lloyd's he had made himself equally "eminent as a broker and underwriter. In this last character, when his name appeared on a policy, it was a sufficient recommendation for the rest to follow where he led without further examination, and accordingly underwriters were eager to see policies sanctioned by his subscription, which speedily acquired so great an authority that, by way of distinction, they were called Julians." "This commercial celebrity," the writer goes on, "increased daily.

The circle of his connections in trade, the weight of his name, and the powers of his active and ready mind gradually expanded, until Mr. Angerstein attained that high degree of commercial importance which is considered among the greatest distinctions of this island." The finale sounds the panegyric of Lloyd's. "And so Lloyd's Coffee-house is now an empire within itself—an empire which, in point of commercial sway, variety of powers, and almost incalculable resources, gives laws to the trading part of the universe; and if combining its authority with the great mass of business below [the Royal Exchange] there is not a place upon the face of the earth that can vie with this palladium of English merchants."

CHAPTER XIII.

PARLIAMENTARY INQUIRY INTO MARINE INSURANCE.

THE rapid growth of Lloyd's during the war, and the fortunes accumulated by many of its members, such as Sir Francis Baring, Mr. J. J. Angerstein, Mr. Thomson Bonar, and others, had the natural consequence of engendering a desire for competition, and there were many attempts, towards the end of the eighteenth and in the early part of the nineteenth century, to establish a powerful rival of Lloyd's in the form of a new marine insurance company on a large scale. To do this, it was required, in the first instance, to upset the two charters granted under the Act of 6 George I. cap. 18, sanctioned June 24, 1720, which bestowed upon the London Assurance Corporation and the Royal Exchange Assurance Corporation a monopoly to carry on the business of marine insurance as joint-stock companies, or, in other words, in a different way as practised at Lloyd's. Among the earliest promoters of a new great marine insurance company were the directors of the Globe Fire and Life Insurance Company, established in 1797, who were anxious to add the marine department to the other two branches. It was thought at first that there would be no great difficulties in getting a charter for marine insurance, seeing that the two corporations of 1720 availed themselves to a very limited extent of their

joint monopoly, preferring the safer business of fire insurance to that of underwriting, and shunning rather than seeking transactions out of the ordinary routine, which, if capable of bringing large profits, involved corresponding risks. Besides, the two charters of 1720 expressly reserved the right of the government, under the sanction of Parliament, to terminate all the special privileges bestowed upon the London Assurance Corporation and Royal Exchange Assurance Corporation, either by merely giving them three months' notice of such intention, and repaying the "consideration money" obtained from the companies, or without any notice whatever, or repayment of moneys, if it was found that the granted monopolies were "hurtful or inconvenient to the public." Relying upon the latter phrase, sweeping enough to justify immediate suppression of the privileges granted in 1720, which, if not "inconvenient" to the public at large, were decidedly "inconvenient" to a section of it, that represented in the Globe, the directors of the latter company applied in 1798 to Parliament, asking for a repeal of the Act 6 George I. cap. 18, in as far as it restricted other-joint stock undertakings from carrying on the business of marine insurance.

The petition of the directors of the Globe, instead of being favourably entertained, as expected, met with the most intense opposition, coming, however, less from the London Assurance and Royal Exchange Corporations, immediately concerned in the matter, than from Lloyd's. The two old chartered companies of 1720, looked upon at the outset, if not as direct foes, yet as very unpleasant rivals, by the members of Lloyd's, had long lost this character, and become attached friends and auxiliaries of the private underwriters and brokers. It was evident, indeed, that it was under the protection of the charters granted under the Act 6 George I. cap. 18, that Lloyd's had risen to greatness. Marine insurance being forbidden to all joint-stock companies except the two chartered corporations, and these two engaging at the same time, with a rather limited capital, in fire and life insurance, to the comparative neglect of the third branch, the business of marine insurance, while increasing to

formerly unknown dimensions, was absolutely driven into Lloyd's. This was so thoroughly felt in the "coffee-house" that, when the Globe application came before Parliament, it was at once met with the most energetic opposition. In the House of Commons, Lloyd's was represented by about half-a-dozen members, who exerted their influence so well that the petition of the Globe did not even get a hearing. Nothing daunted, the directors of the latter company returned to their charge in 1806, this time under far more favourable auspices. They found, through personal connections, strong allies in Lord Granville and Mr. Fox, who had got into power in January of the same year, and who promised to give the application government support if the Globe would undertake to pay the "consideration money," upon the return of which the London Assurance and Royal Exchange Corporations were liable to have their privileges withdrawn. To this the directors readily consented, but to no result. A bill granting the application of the Globe went into committee in the session of 1806, but when closely examined it was found to be badly drawn, and all but useless for the intended object. Recrimination followed between the Globe directors and their friends in the government, who promised to mend matters in the next session. But in March, 1807, Lord Granville ceded his place of prime minister to the Duke of Portland, and the government promise came to nothing. There did not follow any more applications to Parliament from the Globe company, which vanished from the field of marine insurance—as it has now vanished altogether from the insurance world.

But the Globe was only defeated to give way to other far more formidable competitors of Lloyd's. The feeling having grown very strong in the city of London that enormous profits might be realized by a great joint-stock company carrying on the business of marine insurance, there formed itself a powerful organization of wealthy merchants, determined to get a charter of incorporation for such a company, towards the end of the year 1809. Among the promoters of the new undertaking were so many eminent

men, that the belief arose in the city that their power would be irresistible, which induced a number of the smaller underwriters and brokers frequenting Lloyd's to join them, they looking upon themselves as passengers in a vessel about to be wrecked by collision, and deeming it best for their safety to jump on board the ship that was looming in the distance, bearing upon their doomed craft. However, the great majority of the members of Lloyd's by no means shared this feeling, and, a general meeting having been called together to discuss the subject, it was resolved to offer the utmost resistance to the establishment of the designed new marine insurance company. The meeting was presided over by Mr. Jasper Vaux, elected member of the committee for managing the affairs of Lloyd's, September, 1796, in place of Mr. J. J. Angerstein, who retired at this time, without, however, withdrawing his interest for promoting the best interests of the association he helped to organize, and was held on the 29th January, 1810. It stands thus recorded in the minute books of Lloyd's:—

"At a general meeting of the Subscribers to this House, convened for the purpose of taking into consideration such measures as should appear most expedient to prevent the success of an intended application to Parliament for establishing another Chartered Company with powers to effect marine insurances:

"Resolved unanimously, That it appears to this Meeting that it will be highly detrimental to the interests of the subscribers of this House in general, and ruinous to numerous individuals who have made insurance their sole business, if any new Company should be legally authorized, by Charter or otherwise, to effect Marine Insurances.

"Resolved unanimously, That it appears to this Meeting that the formation of any new Company would be an infringement of their general rights, which have been already trenched upon by the Charters granted to the Royal Exchange and London Assurance Companies, and that every restraint on commerce is a bar to its prosperity.

"Resolved, That it appears to this meeting that so long as the Act of Parliament which authorized His late Majesty, King George the First, to grant these Charters, stands unrepealed, so long is it unpracticable for the legislature, without a violation of justice, to sanction the formation of any new company for similar purposes, because, on the one hand, that Act declares that no other Company shall effect marine insurances, and, on the other, it prohibits any two or more individuals from underwriting on joint account, notwithstanding they may be partners for every other purpose.

"Resolved unanimously, That a special Committee be appointed for the purpose of opposing every application to Parliament, or to the Lords of the Privy Council, for an Act, or Charter, to enable any additional Company, or Corporation, to effect Marine Insurances, and that such Committee have full powers to take all such measures as they shall deem most expedient for that purpose, and that they be reimbursed all expenses they may incur out of the funds of this House.

"Resolved unanimously, That the Committee consist of the following Gentlemen, viz.:—

John Julius Angerstein, Esq.	J. F. Throckmorton, Esq.
Thomas Parry, Esq.	Thomas Reid, Esq.
Horatio Clagget, Esq.	Robert Dewar, Esq.
George Munro, Esq.	James Innes, Esq.
Thomas Newnham, Esq.	Ken. Mackenzie, Esq.
Joshua Reeve, Esq.	Elias Heintz, Esq.
Samuel Shaw, Esq.	T. Halliday, Esq."

The gentlemen thus appointed to form a committee set very vigorously to work to execute their task, in which they were not a little assisted by several members of Lloyd's who had seats in the House of Commons, chief among them Mr. Joseph Marryat, M.P. for Sandwich. Mr. Marryat had acquired a very influential position in the House, both on account of his personal merits and as an eloquent speaker. He came from an old Protestant French family long settled in Kent, his immediate ancestor being

"Le Sieur Thomas Marriette," a distinguished officer in the Huguenot army, who escaped the St. Bartholomew massacre in 1572, happily reaching England, though with loss of all his fortune. The father of Mr. Joseph Marryat, Thomas Marryat, M.D., gained literary renown as the author of "Therapeutics, or the Art of Healing;" and greater literary renown was in store for his son, Captain Frederick Marryat, the great "novelist of the sea." At the time Mr. Joseph Marryat, subsequently chairman of the committee, stood forth as champion of Lloyd's in the House of Commons, he filled the important position of Colonial Agent for Granada, and as an underwriter had gained a high character in the commercial world. The promoters of the new great marine insurance company having brought their case before the House of Commons in the form of a substantial motion, made by Mr. William Manning, M.P. for the city of London—father of Cardinal Manning—to the effect "that a select committee be appointed to consider the Act of the 6th of George the First, concerning marine insurances, together with our present means of effecting marine insurances," Mr. Joseph Marryat opposed the motion in a highly interesting speech, delivered February 20th, 1810. The speech, remarkably clear and incisive throughout, resumed itself into the two arguments that, first, there was no need for any new marine insurance company, the underwriters of Lloyd's, together with the two corporations chartered in 1720, being able to do not only all the existing business, but much more; and, secondly, that it was in the nature of marine insurance to adapt itself more to the mode in which it was carried on at Lloyd's, safely and successfully, than to any other possible to be practised by a joint-stock undertaking. In proof of his arguments, the member for Sandwich commenced by giving a short and lucid sketch of the position of Lloyd's.

"In order to put the House in possession of the real merits of the case," Mr. Marryat began, "it will be necessary to explain the mode in which marine insurances are at

present effected in this metropolis. Exclusive of the two chartered companies, there are about one thousand five hundred subscribers to Lloyd's, the greater number of whom daily attend there for the purpose of transacting insurance business. The merchant, when he receives an order to effect insurances from his correspondents abroad, or has occasion to cover property shipped by himself at home, applies to an insurance broker, who transacts the business either with the public companies, or with individual underwriters, according as he finds it most to the advantage of his employer. The House will see the extent to which competition is carried by this mode of effecting insurances. The merchant is aware that his credit with his foreign correspondents depends upon his executing their orders on the best terms possible. The broker is equally aware that his credit with his employer, the merchant, depends upon the same circumstance. The underwriter is also aware that, unless he writes at the very lowest current premium, the brokers, who are in the habit of showing him their policies, will transfer their accounts to other underwriters, and from this consideration he frequently accepts a premium which, in his best judgment, he considers inadequate to the risk, rather than lose his connections. Thus competition is carried to the highest possible pitch; and thus has the reputation of this country for effecting marine insurances on the most reasonable terms been so universally established, that orders from every part of the globe are sent here, the property annually insured in this country amounting to nearly two hundred millions, as is proved by the duty paid for stamps upon policies."

Combating next the assertion made before the House, that greater competition would be created by the establishment of the proposed new marine insurance company, Mr. Marryat, showed that there existed a much greater tendency at Lloyd's to take all risks, than there could be in any companies. "The two public offices already in existence," he said, "so far from coming into competi-

tion with Lloyd's in any way beneficial to the general interests of the public, confine themselves to what are called 'regular risks'—in effecting which, to any possible extent, there is no difficulty whatever. But in what are called 'cross risks'—in those new and perilous modes of carrying on commerce, to which the state of Europe has lately obliged us to resort—the public offices come into no competition with Lloyd's, for they refuse to write them at any premium. During the whole of the last year, they refused to insure vessels trading to or from the Baltic, unless warranted free from capture and seizure in the ports of the enemy—the great risk against which the parties interested wished to be covered. Therefore, this branch of commerce, which extended the export of our manufactures and produce to an unprecedented amount, and secured us an abundant supply of naval stores, so indispensably necessary to the support of our maritime greatness, would never have been carried on—for, unless it could have been insured, it could not have been carried on—but for the spirit and enterprise of the underwriters at Lloyd's. Every man there ventured a certain sum upon these risks, such as he could afford to pay in case of loss; and thus the whole property was covered, and these invaluable national benefits were obtained."

After this interesting piece of historical information, the speaker went on to draw a clear picture, perhaps the best ever made in so few words, of the essential difference between Lloyd's and joint-stock companies in the transaction of marine insurance business. "The public companies," he told the House, "depend upon their regular business, which enables them to pay a very handsome dividend to their proprietors; and if more of these companies were to be established, and more of the regular business were monopolized, individual underwriters would be discouraged from pursuing their avocations, and competition be lessened instead of being increased. It would be absurd to expect any public office to act on any other system, for it is impossible that the acting director, or secretary, of a public

office should possess the same knowledge as to the nature and extent of every possible description of risk; the same information as to the means by which the decrees of the enemy may be eluded, as fifteen hundred underwriters, all of them men of commercial habits, and consequently commercial knowledge, daily collected together for the purpose of communicating and receiving intelligence; whose judgments on these subjects are formed and confirmed by constant habits of individual application and mutual discussion; and who concentrate the scattered rays of information, as it were, into one focus at Lloyd's. On this conviction the public offices, very wisely, refuse to undertake what they do not understand, and wholly decline the only species of competition with Lloyd's which could in the smallest degree conduce to the public advantage."

Proceeding to the argument, advanced most conspicuously by the promoters of the proposed joint-stock undertaking, that the public found greater safety in insuring with a company than with private individuals, Mr. Marryat upset its truth in the most convincing manner. "I maintain," said he, "that Lloyd's offers better security to the assured than can be given by any chartered company. I say so for this plain reason, that every man at Lloyd's is responsible for his engagements to the last shilling of his fortune, while the members of an incorporated company are responsible only for the amount of capital originally invested. And the capital of the underwriters at Lloyd's infinitely exceeds that of any chartered company whatever. For instance, the capital of this new company is intended to be five millions, of which only one million, I understand, is to be actually advanced. In point of fact, then, the one million so advanced is the whole extent of the security offered to the public, for though the original subscribers to this undertaking are men of fortune, and able to pay the other four millions in case of need, yet they, from various motives, may be induced to sell out, and may sell to men of straw, or to mere speculators, who would not be able to pay the other

four millions. But giving them the whole advantage of this argument, and taking their capital at five millions, even this sum bears no proportion whatever to the aggregate capital of the underwriters at Lloyd's. I could name fifty out of the fifteen hundred subscribers to Lloyd's who would pay down these five millions at any time, without the smallest inconvenience, leaving the capital of the other fourteen hundred and fifteen subscribers wholly untouched."

The speaker then went on giving an interesting historical retrospect. "Events have occurred within these few years that would have more than swallowed up the capital of this projected company, and yet have scarcely occasioned the failure of a single individual at Lloyd's. For every prudent underwriter regularly classes all his risks, and proportions the amount he hazards on those of each particular description to his means of payment, in case of loss—a precaution which could not possibly be observed in the vast mass of business proposed to be undertaken by this new company. The events to which I alluded are the detention and subsequent condemnation of the Dutch ships in consequence of the hostilities that took place between this country and Holland, in the year 1794; the capture and condemnation of American vessels by France and Spain, in the year 1797, on the plea of their navigating without the 'rôle d'équipage' required by treaty; and the seizure of all the British ships in the ports of Russia, by the Emperor Paul, in the year 1799. Had this intended new company been established previous to either of these periods, comprehending within itself, as the projectors declare it does, nine-tenths of the commercial interest of this metropolis—and, of course, doing nine-tenths of the business, and sustaining nine-tenths of the proportionate losses—it must have been totally ruined. But, nevertheless, the shareholding proprietors, being sheltered under that limited responsibility which is the great object of their present application to Parliament—since there is nothing preventing each and all from becoming underwriters—would still have continued

men of opulence. Their carriages would still have rolled along the streets, and have splashed with mire the unfortunate individuals who had been ruined by their insolvency as a company."

Mr. Marryat finished his speech by giving a graphic, as well as instructive, sketch both of the requirements of the members of Lloyd's, and their position as a body. "I am aware," he said, "that the occupations of an insurance broker and underwriter are generally considered as demanding but very superficial attainments; but a candid investigation of the subject will prove this idea to be erroneous. An insurance broker can only qualify himself for his business by considerable study and application. He must learn how to fill up policies of every description, with all the various clauses adapted to every possible circumstance. He must be able to make accurate declarations of interest, so as to cover the parties in case of loss, and yet not expose them to the payment of any unnecessary premium in case of arrival. He must know how to make up complex statements of average and partial losses on every species of merchandize, and on the various principles applicable to every different case. He must be informed of the current rates of premium on every voyage, in order that he may be enabled to transact the business intrusted to him to the best advantage; and he must be well acquainted with the character of the different underwriters, to guide him in the selection of names he takes upon his policies. Then, as to the underwriter, he must possess every species of knowledge requisite for the broker—except, indeed, as to the solidity of his brother underwriters—it being his province to examine all the papers and statements laid before him by the broker. In addition to this, he must be well versed in geography; must be informed of the safety or danger of every port and roadstead, in every part of the world; of the nature of the navigation to and from every country; and of the proper season for undertaking different voyages. He should also be acquainted, not only with the state, but the stations of the

naval force of his own country and of the enemy; he should watch the appearance of any change in the relations of all foreign powers, by which his interests may be affected; and, in short, he has constantly to devote his mind, and give much time and attention to the pursuit on which he is engaged. Those who commence underwriters without the necessary qualifications, or continue underwriters without the necessary caution, generally soon find their error in their own ruin, and the injury of those with whom they are connected."

From the individual members of Lloyd's, Mr. Marryat passed to the Society, describing its action as a public body. "The subscribers to Lloyd's," he exclaimed, "in promoting their own interests, have at all times sought to promote those of their country. They have increased her revenue, and raised her commercial character, as well as her prosperity. With a liberality not always found in public bodies, they freely and gratuitously communicate that intelligence to others which they daily procure at a heavy expense to themselves. By a standing regulation of the house, access is given to their books, in the non-subscribers' room, to every individual whose interest, or whose anxiety for his absent friends, may bring him there. The editors of the public papers constantly resort there also; and, in fact, all this sort of information the public receive comes from Lloyd's. Moreover, the subscribers to Lloyd's have at all times been ready to set an example of public spirit and liberality to their countrymen. Their hands and hearts have ever been open to relieve the distress of those who suffered, and to reward the valour of those who distinguished themselves in the cause of their country. More particularly at the commencement of the present war, at a period of great and general public alarm, when every man expected to be obliged to contend for British liberty on British ground, they stood nobly forward. By a well-timed and spirited effort, they infused energy and confidence into the public mind, and gave an impulse to patriotism which was felt, and most

beneficially felt, to the very remotest corner of the British dominions." The last sentence embodied a quotation from one of William Pitt's speeches as to the great service rendered by Lloyd's to the nation in the establishment of the Patriotic Fund.

The speech of Mr. Marryat, though making evident impression on the House of Commons, and giving rise to constant applause, had not the desired immediate effect. The House decided, by a small majority of votes, to appoint a select committee "to consider of an Act made in the sixth year of King George the First, intituled 'An Act for securing certain powers and privileges intended to be granted by His Majesty, by two charters for assurance of ships or merchandizes at sea, and for lending money upon bottomry, and for restraining several unwarrantable practices therein mentioned;' and of the state and means of effecting Marine Insurance in Great Britain, and to report the same, with their observations thereupon, from time to time, to the House." The select committee, of which Mr. William Manning was appointed chairman, held its sittings in the months of February and March, 1810, examining thirty-six witnesses, of whom fourteen were brokers and underwriters, and the rest merchants and shipowners. These witnesses furnished a mass of information, such as had never before been collected, on the subject of marine insurance in Great Britain, both as carried on at Lloyd's and by the two chartered companies.

One of the chief witnesses before the committee was Mr. John Julius Angerstein, who had now reached the age of seventy-five, and was generally known as "The Father of Lloyd's." He gave in evidence that he had been "in the habit of transacting insurance business," partly as a broker and partly as an underwriter, for not less than fifty-four years; that he had found Lloyd's a small institution, and seen it grow into vast size; and that while the existing rooms of the coffee-house were barely spacious enough for the number of members, who had frequently to "write policies

at their own counting-houses," yet that he felt persuaded the demand for policies was not greater than the supply, and that "the increased means of effecting marine insurances have fully kept pace with the increase of trade and commerce in this country." Having given several instances of large insurances, amounting to half a million and more, upon single ships that had been effected at Lloyd's without any trouble, Mr. Angerstein very lucidly described to the committee the difference between "regular risks" and "cross risks," and also his mode of getting policies on each class. "Regular risks," he explained, "are from this country direct to a port in America, or to different ports of the continent of Europe, and from thence back; and the voyages of regular traders are called regular risks in general. On the other hand, cross risks are from foreign countries to other foreign countries, or from different ports in foreign countries." The veteran member of Lloyd's then sketched his work as a broker. "If I have a cross risk to make, from America, for example, I go to a box where there are Americans to give me information; if I have a cross risk from Turkey, I go to another box where I can get information; and so the same from the Baltic, or other parts of the world. I generally go to the people whom I think best conversant with the subject, for they are at the same time those who can begin the policy better for me than others, and I by that means get it done. It is of no use applying to a Baltic merchant on an American risk; he does not do it, simply because he knows nothing about it. Therefore, I always go to those who know most about a certain risk, for with them I can at least always get information about it. There are so many people frequenting the coffee-house, that, even if an underwriter does not himself understand a question, he soon procures information, and makes me master of the subject at the same time."

Being questioned what he thought would be the effect upon marine insurance if the proposed large company, with a capital of five millions sterling, were to be established, and

enter into competition with the private underwriters, Mr. Angerstein declared his strong opinion that the chief consequence would be to raise the premium rate upon all bad and doubtful risks. To prove this, he produced a rather striking calculation which he had made as to the probable revenue, expenditure, and profits of the projected undertaking. "I sent to the stamp-office," he said, "making inquiry what the taxes were upon the policies of the underwriters for the last year, and learnt that the tax upon private underwriters' policies was £312,000, which represents, at the 5*s.* duty, £124,800,000; and, adding the coasting trade, may come to £140,000,000." Going upon the assumption that nine-tenths of this insurance would be offered to the new company, seeing that "nine-tenths of the greatest merchants and people of consequence are connected with the promoters," Mr. Angerstein calculated that "they will have an offer of 120 millions, and out of these 120 millions they will take 80 millions, selecting the best risks at the best seasons."

Entering into some further calculations, based, as he told the committee, on figures and accounts extending over twenty-two years, Mr. Angerstein prognosticated that the directors of the new marine insurance company, if established, "will take eighty millions of risks, at seven and a half per cent., the premiums of which will amount to six millions. The twenty millions not offered to them being retained by other companies, or private underwriters, there will then remain another forty millions of risks, which neither will be willing to take, if at free choice. Of this forty millions, left upon bad ships, cross voyages, long voyages, and other worse risks, what is to become? There is the rock upon which, I think, all this speculation must split. You will no longer have men of property attending the coffee-house to write policies, for every part of these forty millions will be supposed to have been shown to the companies, whether it has been or not, and these insurances will be done only at a very exorbitant premium, if at all." Mr. Angerstein's opinions were echoed

by almost all the members of Lloyd's who appeared as witnesses before the select committee of the House of Commons. It was proved, indeed, by evidence that the existing companies only selected the best risks, while nearly all risks were taken at Lloyd's, a wise classification of the total, good and bad, forming security against losses; and the conclusion, therefore, was natural that Lloyd's could no longer exist if a very large proportion of the best risks were taken beforehand by a new company comprising "nine-tenths of the greatest merchants."

The extraordinarily small amount of marine insurances effected by the two chartered companies of 1720, notwithstanding their privileges, was strikingly shown by some returns laid before the select committee. It appeared from these returns, prepared in the offices of the two corporations, that the average amount annually insured with the Royal Exchange in the five years from 1805 to 1809, was not more than £2,721,671, while the average annual amount of the London Assurance was only £1,452,000 during the same period. The detailed papers submitted by the secretary of the London Assurance Corporation showed that the number of ships insured for sums of £10,000 and above in the year 1800 was only eighteen, seven of them, chiefly packets, being for £10,000, and the highest insured, a trader between China and London, for £26,000. In the following year, 1801, the number of ships of the same description insured was but eight, the policies ranging from £10,000 to £19,200. In 1802, the number of ships taken was nine, under policies of from £10,000 to £24,000; and in 1803 it was fifteen, the policies ranging from £10,000 to £23,625. The total number of ships of the same description insured in the year 1804 was seven, with insurances of from £10,000 to £20,000; in 1805, it was ten, with insurances of from £10,000 to £21,000; in 1806, it was eight, the insurances being from £10,000 to £23,000; in 1807 it was twelve, with policies of from £10,000 to £25,000; in 1808, the number ran up to nineteen, the highest policy being for £30,000; and finally, in

1809, the number of ships taken was twenty-four, the highest policy granted being for £21,170. It was given in evidence before the select committee of the House of Commons that there were scores of underwriters at Lloyd's, each entering into larger transactions in the course of the year than either of the two chartered companies.

The total gross amounts insured by each of the two corporations in the five years from 1805 to 1809 was reported as follows to the committee:—

Insurance Transactions of the Two Chartered Companies.

	Royal Exchange Corporation.	London Assurance Corporation.
Years.	£	£
1805	2,256,558	870,000
1806	1,971,819	1,240,000
1807	2,027,365	1,210,000
1808	3,446,858	1,690,000
1809	3,905,756	2,250,000
Total five years .	£13,608,356	£7,260,000

The comparative insignificance of the transactions of the two chartered companies was further shown in a government report laid before the select committee, showing the stamp duties paid on marine insurance in each of the ten years from 1800 to 1809, distinguishing the duties paid in London by private underwriters and by each of the two corporations, and also those paid in Scotland. It was stated in the official report that "the product of the duty on marine insurances cannot be given for the country, the distributors in their remittances not distinguishing the product of that duty."

Produce of Stamp Duties on Marine Insurance.

	Private Underwriters in London.	Royal Exchange and London Assurance Corporations.	Scotland.
Years.	£	£	£
1800	98,871	5,356	9,216
1801	195,980	8,115	17,910
1802	157,909	9,502	14,596
1803	171,185	9,003	13,559
1804	166,901	6,479	14,009
1805	194,804	6,256	18,391
1806	180,498	6,778	15,968
1807	208,414	6,963	15,669
1808	120,776	10,913	11,519
1809	318,516	12,938	17,136

There was no evidence relating to marine insurance in Scotland given before the select committee, beyond its being stated that the transactions were chiefly carried on in so-called "clubs." One of the witnesses gave it as his opinion that "there must be near twenty such clubs" in the kingdom, possessing, "on the average, a capital of £50,000 each, making a million altogether." The action of these "clubs" was explained by the same witness briefly as follows:—"They have a policy for a twelvemonth, as a common policy for time, the stamp being paid upon it, which, they consider, legalizes the insurance. But they have other regulations, which govern their mode of settling averages, and restrict the voyage as well as the conduct of the members. In the policy that is so given, each individual member appears to be an underwriter for a specific sum of money, and therefore is liable for his own act and deed only to the extent set against his own name, and to no more. As a man is not bound for another, but only for himself, that seems to take away the idea of the members forming a company." The legality, or otherwise, of the various marine insurance clubs

was not further inquired into by the select committee, it appearing that none of them were in a really flourishing condition.

Among the official documents and papers laid before the committee were a number showing the progress of British trade and shipping during the eighteenth and the beginning of the nineteenth century. One of them, drawn up by Mr. William Irving, "Inspector-General of Imports and Exports of Great Britain," attracted special notice, as containing a survey, in decennial periods, of the official value—estimated to be about fifty per cent. below the real value—of the annual imports and exports, the figures for England extending over ninety years, from 1719 to 1809, and those for Scotland over sixty, beginning from 1759, there being, as explained by the Inspector-General, "not any material in this office from which the accounts can be made up for any year prior to that period." It appeared from Mr. Irving's return that the value of imports and exports, at the periods designated, were as follows :—

Imports: Official Value.

	England.	Scotland.	Great Britain.
Years.	£	£	£
1719	5,367,499	—	—
1729	7,540,620	—	—
1739	7,829,373	—	—
1749	7,917,804	—	—
1759	8,922,976	605,888	9,528,864
1769	11,908,560	1,225,529	13,134,089
1779	10,762,240	774,772	11,537,012
1789	16,408,040	1,413,062	17,821,102
1799	24,483,841	2,353,591	26,837,432
1809	27,142,541	3,264,019	30,406,560

Exports: Official Value.

	England.	Scotland.	Great Britain.
Years.	£	£	£
1719	6,834,716	—	—
1729	8,239,924	—	—
1739	8,843,624	—	—
1749	12,678,758	—	—
1759	13,947,788	940,804	14,888,592
1769	13,438,236	1,563,053	15,001,289
1779	12,352,052	837,273	13,189,325
1789	17,989,395	1,170,076	19,159,471
1799	31,723,727	1,916,630	33,640,357
1809	45,918,663	4,383,100	50,301,763

It appeared, from other official reports laid before the select committee, that the total number of British ships that entered inwards in ports of England during the year 1809 was 10,173, with an aggregate burthen of 1,327,723 tons; while of foreign ships there entered 4,692, of a burthen of 722,920. The number of British ships that cleared outwards in ports of England during the year 1809 was 9,935, of a total burthen of 1,318,508 tons; while of foreign ships there cleared 4,379, of a burthen of 674,680. In the ports of Scotland there entered, in the same year, 2,483 British ships, of 211,850 tons, and 230 foreign ships, of 36,367 tons, and there cleared 5,564 British ships, of 212,614 tons, and 151 foreign ships, of 25,070 tons. The Registrar-General of shipping, Mr. J. E. Willoughby, who furnished these statistics, further reported that it was impossible to ascertain the gross amount of the tonnage of British merchant ships further back than the year 1778, and stated it as follows for that year and for the year 1809:—

Years.	Ships.	Tonnage.
1778	13,827	1,363,488
1809	23,070	2,368,468

On the basis of these official returns and a mass of other documents presented, the select committee made a curious estimate, which was laid before the House of Commons, as to the amount of property, coming within marine insurance, that was actually insured, and the amount that ought to be insured, or was capable of being insured. It was calculated, on the return of the stamp duties, that the total sums covered by marine insurance in the year 1809 were as follows, respectively, in London, in Scotland, and in England, exclusive of the metropolis, the sum placed under the last division being arrived at on the rough estimate that it was double the amount of that of Scotland:—

Amount of Property covered by Marine Insurance in 1809.

	£
London	140,478,400
Scotland	7,353,500
England, exclusive of the metropolis	14,707,000
Total . . .	£162,538,900

To arrive at the figure of the total amount of property coming within marine insurance, the select committee added together the value of the imports of 1809, viz., £30,406,560, and of the exports, viz., £50,301,763, giving a total of £80,708,823. Assuming that the official value was fifty per cent. under the real value, this was added, bringing the total value of imports and exports for the year up to £121,063,244. The coasting trade was estimated at one-half of the foreign trade, or £60,531,622; and a calculation of the value of freights, of that of foreign tonnage, of ships in ballast, the "difference between the tonnage of British vessels cleared inwards and outwards in the year 1809, and the tonnage of registered British vessels for the same year," and other items, added thereto a further sum of £139,332,255. Thus the total came to stand as follows:—

Amount of Property coming within Marine Insurance.

Imports and exports, real value . .	121,063,244
Estimated value of coasting trade . .	60,531,622
Estimated value of freights, foreign tonnage, &c., &c.	139,332,255
Total . . .	320,927,121
Amount of property actually insured .	162,538,900
Estimated amount of uninsured property .	158,388,221

"It thus appears," the select committee reported to the House of Commons, when submitting these calculations, "that, large as is the sum of actual insurances, it amounts to little more than one-half of the sum that might have been insured last year in Great Britain."

The Report of the select committee, dated April 17th, 1810, unreservedly recommended the repeal of the privileges granted to the Royal Exchange and London Assurance Corporations under the charters of 1720. "The two chartered companies," the report stated, "insure less than four parts out of one hundred of the whole insurances effected in Great Britain, and thus the marine insurance business of these companies is of an extent disproportionate to the demands of the country, and wholly inadequate to the unbounded expectations of the legislature which granted their privileges. Several of the merchants called before the committee concurred in stating that, though they would much prefer making their insurance with the companies, and would pay a higher premium to them than the risk is supposed to be worth by the underwriters in Lloyd's coffee-house, yet that, owing to the cautious system of the companies, they are seldom able to deal with them." The report goes on to say that, "although the cautious conduct of these companies may be proper and consistent with their interest and with their duties, yet

the intentions of the legislature in granting them an exclusive right of effecting, as companies, marine insurances, are evidently defeated. They do not, and they cannot, afford any adequate accommodation to the merchants; and though their transactions, as far as they go, are of service, and it is not intended by the committee to recommend anything to prevent their continuance, yet their right to exclude all other societies and corporations from doing what they can, with their monopoly, so inadequately perform themselves, appears to be decidedly against the words of the Act of Incorporation, and as such may and should be repealed. The framers of the Act in question seem to have thought that insurances are best done by companies. Whatever may be the opinion of the House on this point at present, there can be little doubt of the absurdity of suffering a monopoly to exist which is more effectual in its hindrance than its performance, when such monopoly can, as in the present instance, be repealed without any violation of public faith."

In accordance with this report, the select committee submitted to the House of Commons the following two resolutions:—

1st. "Resolved, That it is the opinion of this committee, that property requiring to be insured against sea and enemies' risk, should have all the security which can be found for it, whether that security exists in chartered corporations, in other companies, or through individuals."

2nd. "Resolved, That it is the opinion of this committee that the exclusive privilege for marine insurance of the two chartered companies should be repealed, saving their charters, and their powers, and privileges in all other respects, and that leave should be given to bring in a bill for this purpose."

In the debate that followed in the House of Commons when these resolutions were brought forward, Mr. Joseph Marryat again distinguished himself by his eloquent defence of Lloyd's against its detractors. "The existing system

of marine insurance at Lloyd's," he exclaimed, "has not only kept pace with the increase of our commerce, grown with its growth, and strengthened with its strength, but a system of commercial intelligence has also been established there by the labour of half a century, and has, at length, been brought to a degree of perfection which renders it of the utmost importance to the mercantile world." This latter point told greatly in the House of Commons, it being admitted by the warmest partizans of the proposed new company that marine insurance could not do without the "system of commercial intelligence" of Lloyd's. These and other considerations led to the rejection, by a considerable majority, of the resolutions presented by the select committee. Sixteen years more had to elapse before freedom was granted by Parliament to establish marine insurance companies.

CHAPTER XIV.

INSURANCE FRAUDS.

ARE not frauds frequently practised, or attempted to be practised, upon underwriters?" the chairman of the select committee of 1810 asked Mr. John Fisher Throckmorton, one of the leading underwriters at Lloyd's. "I have known a great many," was the reply. To the further question, "Can you state instances of that sort which happened to yourself as an underwriter," the answer was, "I have made a list of a considerable number of them which have happened since I began underwriting." Mr. Throckmorton then proceeded to enumerate the cases set down in his list, highly curious as being the experiences of a single life, not a long one, in the matter of insurance frauds.

"The first fraud I remember," began Mr. Throckmorton, "was on a ship called the Eagle. An order came to have her insured, and was executed; but we proved afterwards that the insurer, who lived at Philadelphia, knew that the ship was lost when he wrote the order for the insurance. The next fraud was that of the noted Captain Codling, ship Adventure, and Messrs. Easterby and Macfarlane; the ship was destroyed and the captain hanged. The next was a ship or sloop, from Dieppe, in France, to a place on the

coast of England, said to be with a great quantity of specie on board. In this case, the ship sailed in the evening, and was reported lost early the next morning, when the captain and crew had breakfast on shore on the French coast. Being summoned, the captain appeared before the underwriters at Lloyd's, and on a suggestion made in the committee-room, where the business was spoken of by me, to have the man taken into custody, he made off in haste. The affair turned out a complete fraud, and not a farthing was recovered, because there never was any money shipped. Next there was a case of a ship from Leghorn; an insurance was made for a large amount on silks; but it was found that she was only loaded with brimstone. In this case the ship, insured against sea-risk only, went to sea on a fine morning, and was destroyed in the evening, the captain and crew coming quietly on shore in their boats. Insurances had been effected at a number of places, London, Liverpool, Marseilles, and, I believe, Manchester; and, a claim for total loss being made, the witnesses actually came here to substantiate their claim, but they took wing the day before the trial was to come on. There was another insurance by the same parties, at nearly the same time, on another risk of a similar kind, but against capture only. In this instance, the ship was taken and carried to Corsica in the course of a few hours after she had left Leghorn, and, though it was found to be a fraud, the discovery of it came too late, as the money had been paid by the underwriters."

Mr. Throckmorton, being interrupted here by a question, then went on to relate with a little more detail other cases of fraud, several of them showing great expertness in perpetration. "There was a ship from Boston, the Hannah and Mary," he told the committee, "which was sunk by design, after having been insured at Lloyd's, at Bristol, and at Liverpool, to a very considerable amount. Suspecting a crime, we had one man arrested on suspicion, after another, also suspected, had run away at Liverpool. Brought to London, the prisoner acknowledged that he had forged the

bills of lading, the invoices; and everything necessary to substantiate the interest, legalized by American stamps which he secured and sent to Boston by order of his principal, who drew up the plot ready to be acted upon." No prosecution, it appears, was entered against this too faithful servant. "The next case, in which I happened to be concerned, and which I had a hand in detecting," Mr. Throckmorton went on, "was that of a ship going from Gibraltar to Lisbon. She was seen to be captured in Gibraltar Bay, as she went sailing out, upon which couriers were dispatched, by different roads to Lisbon and elsewhere with four or five duplicate orders for insurance. These orders found their way to London, and the insurances were effected; but the fraud was discovered in time and the loss was not paid. In another case of fraud, a ship called the Aurora, bound to the Brazils from Lisbon, was burned by design in Madeira roads, having been insured to a large amount, but the loss was not paid. Then there was the Philippa Harben, from New York to Belfast, which soon after going to sea was destroyed. Having been a noted ship in the Barbadoes trade, no suspicion was at first entertained, and, when the assured came to London, the underwriters were near making payment to him when rumours came of the fraud. Upon this the man made off, not even asking for the return of his premium."

The catalogue of frauds committed within the knowledge of a single underwriter did not end here, but Mr. Throckmorton had three more stories to tell. The first was a tragedy curt to completeness. "There was, in the year 1803, a ship called the Merry Andrew, sunk in King's road, Bristol, by design; the captain was hanged, and the owner absconded." The second tale was less tragic. "I wrote a ship," said Mr. Throckmorton, "called the Bordeaux trader. She had sailed from Portsmouth on a Saturday morning, and was captured immediately, when outside the Isle of Wight. The captain got back, and was with the owner at Portsmouth on the Sunday afternoon when the latter wrote

his order for insurances. The fraud being discovered, it was not paid." The third story showed a more complicated case of fraud. "There was at Hull a man of the name of Smythies," Mr. Throckmorton narrated, "who made an insurance which became noted at Lloyd's as 'the ten-fold insurance.' The object was to get averages upon it, to effect which there was a complete set of average papers brought over. The ship had been insured at Hull, Manchester, Liverpool, Bristol, and at almost every other place where insurances are done, and he thought to have got an average of forty per cent. at each place on the same documents; however, the matter by some means was detected. The man absconded at first, but was afterwards taken; but in the end, I believe, escaped justice." The narrator added, in conclusion, that he had "frequently seen cases of very great suspicion; that letters were antedated, and that other frauds were practised, such as telling a part of the truth but not the whole in their letters and orders for insurances from abroad, which makes it necessary the underwriters should be wary." It would be impossible to doubt the opinion, thus simply expressed, that "wariness" is a very necessary quality in underwriters.

For various reasons, the chief of them being the non-existence of a code regulating marine insurance, such as that possessed by nearly all other maritime nations in Europe, the law of England was long extremely lenient as regards cases of frauds, even those of the grossest kind. This was in striking contrast to the legislation of the founders of English marine insurance, the Hanseatics and Flemings. By the insurance ordinances of Amsterdam, dating back to 1598, it was enacted that "as contracts of insurance are contracts of good faith, wherein no fraud or deceit ought to take place, in case it be found that the insured or insurers, captains, shippers, pilots, or others, use fraud, deceit, or craft, they shall not only forfeit their payments by their deceit and craft, but shall also be liable to the loss and damage occasioned thereby, and be corporally punished, as a terror

and example to others; and, if it be found that they have used notorious malversation and great fraud, they shall be punished with death, even as pirates and robbers." Similar enactments existed in the maritime laws of Antwerp, Bruges, Lübeck, and other cities of the Hanseatic League, as well as in the codes of Barcelona and Venice, all of them decreeing the most severe punishments against persons guilty of fraud in marine insurance. In singular opposition to this, the English statute book for a long time forgot to class insurance frauds even amongst punishable crimes, and it was not before the beginning of the eighteenth century that the law took in any way cognizance of them. At length, on the pressure of the mercantile community of the city of London, who represented the great increase in this kind of offences, a statute was passed, in the first year of the reign of Queen Anne, ordering heavy punishments for a certain class of defrauders. The statute enacted that "if any captain, master, mariner, or other officer, belonging to any ship, shall wilfully cast away, burn, or otherwise destroy the ship unto which he belongeth, or procure the same to be done, to the prejudice of the owner or owners thereof, or of any merchant or merchants that shall load goods thereon, they shall suffer death as felons." This law remained entirely inoperative, being made so by the phrase, "to the prejudice of the owner or owners," &c. Under the strict wording of the statute, there was no punishment if the vessel was destroyed, not "to the prejudice," but for the benefit of the owners, the very crime most frequently committed, and most hurtful, as to underwriters, so to the very system of marine insurance. What the law of the first of Queen Anne actually punished was the offence of "barratry," one not only little feared by insurers, but actually covered in policies of marine insurance.

The offence of "barratry," or, as denominated in all Lloyd's policies, "barretry"—a word derived either from the Italian verb, "barattare," which signifies to cheat, or from the Spanish noun "barateria," a fraud—is defined by

Postlethwaite, in his "Dictionary of Trade and Commerce," a guiding work in many questions affecting marine insurance, solely as an act directed against either the owners or the insurers of a ship and its cargo. The clear definition is, "Barratry is committed when the master of the ship, or the mariners, cheat the owners, or insurers, whether it be by running away with the ship, sinking her, deserting her, or embezzling the cargo;" and further that "barratry in a marine sense" is committed "when the master of a ship defrauds the owners or insurers by carrying a ship on a course different from their orders." Acts of barratry as here defined were extremely common at a time when international intercourse was constantly interrupted by international hostilities; when a crime committed within the limits of one country was not punishable in another; and when treaties of extradition were altogether unknown. It was then that barratry—in its simplest meaning, the embezzlement and misappropriation of goods by servants—was extensively practised, nothing being easier than a ship's crew running away with the property intrusted to them, and selling it in some other country, without fear of punishment. The constant recurrence of such misdeeds naturally caused a desire for protection against them, as against other evils, such as tempestuous seas, fire, war, and pirates, and, the simplest form of protection being that of insurance, there was added to the long list of the "Adventures and Perils which the Assurers are contented to bear," enumerated in policies of marine insurance, that of "Barretry of the Master and Mariners."

The statute of the first of Queen Anne having proved a dead letter on account of its defective wording, new pressure was brought to bear upon Parliament to legislate against the constantly increasing acts of fraud committed against insurers of marine property, and thereby give some protection to underwriters. These efforts finally prevailed so far, that under the ministry of Sir Robert Walpole, in 1725, another Act was passed amending the previous legislation

against insurance frauds, directed against mere "barratry of masters and mariners," by including the owners of vessels amongst those that might be found guilty of the crime. The Act passed, known as 11th Geo. I. cap. 29, after reciting that "some doubts have arisen touching the nature of the offence provided against," enacted "that if any owner of, or captain, master, officer, or mariner, belonging to any ship or vessel, shall wilfully cast away, burn, or otherwise destroy the ship or vessel of which he is owner, or to which he belongeth, or in any wise direct or procure the same to be done, with intent or design to prejudice any person or persons that hath or shall underwrite any policy or policies of insurance thereon, or if any merchant or merchants that shall load goods thereon, or if any owner or owners of such ship or vessel, the person or persons offending therein, being thereof lawfully convicted, shall be deemed and adjudged a felon, or felons, and shall suffer as in cases of felony, without benefit of clergy." It was deemed at first that this new law was sufficiently stringent and severe to protect underwriters for the future; but experience soon showed that it was far from being so. When taken to practical test, the new law was not only found wanting in power to punish offenders, but it did not even save underwriters from paying claims arising out of fraud.

Various criminal prosecutions under the Act of 11th Geo. I., cap. 29, failed for want of the numerous proofs required for conviction under the minor clauses of the Act. These made direct evidence absolute, while, in the very nature of things, conviction could be obtained but from circumstantial evidence. The man who bored holes in the bottom of the ship to scuttle her seldom invited spectators to his proceedings, nor did the captain generally inform his crew of his intention to cast his vessel voluntarily upon a lee shore. Two or three attempts to bring criminals, guilty of offences more than usually flagrant, to justice having failed, the underwriters ceased prosecuting under the Act of George I., as they had done under that of Anne, contenting themselves

with refusing, whenever possible, to pay the policies based on fraud.

It was found after a while that the refusal to pay could not always be maintained, owing to the confusion existing in legal decisions as to what was meant by "barratry." The uncertainty of the law in this respect was strikingly exemplified in a case tried, in 1786, by a jury at the Guildhall, London, before Mr. Justice Buller. The evidence showed that a French vessel called the "Rachette," commanded by Captain René Guiné, and owned by one Dominique Legrand, sailed on a voyage from London to Rochelle, after both ship and cargo, the latter the property of a Mr. Hague, had been insured at Lloyd's. Instead of going to Rochelle, the captain of the vessel, in conspiracy with the owners, took her to Bordeaux, where, an attempt of scuttling proving a failure, he sold the cargo, making out false bills of lading. The conspirators next met to divide the spoil, but before this could be effected they were arrested by the Lieutenant-General of Guienne on a charge of fraud, and condemned to the galleys, Dominique Legrand for five years and Captain René Guiné for life. Thereupon Mr. Hague, the owner of the cargo of the "Rachette," sued the underwriters, who refused to pay, on the amount of his policy, relying upon the clause securing him against "Barretry of the Master and Mariners," and disclaiming all share in the fraud committed. Before the case came on for trial, Mr. Hague was declared a bankrupt; but notwithstanding this, and the fact of the plaintiff bearing a very indifferent character, the verdict of the Guildhall jury was in his favour, the presiding judge declaring that he agreed with it entirely. Deeming that there had been a miscarriage of justice, the underwriters appealed, and the consequence was a memorable decision by Lord Mansfield, who laid down the law as against barratry.

The great judge, after giving his opinion that undoubtedly a gross fraud had been committed, and that the captain and owner of the "Rachette" had been justly

punished for it in deportation to the galleys, declared that, nevertheless, the condemnation was not good in English law, and that the underwriters remained liable on their policy insuring the cargo. "The French idea of barratry," Lord Mansfield ruled, "is manifestly different from the construction put upon that word in our own courts, for they have found the *owner* guilty of barratry, which is entirely repugnant to every definition of barratry which has ever been laid down in an English court of justice. The general question here is on the construction of the word barratry in a policy of insurance. It is somewhat extraordinary that it should have crept into insurances, and, still more, that it should have continued in them so long, seeing that the underwriter insures the conduct of the captain, whom he does not appoint, and cannot dismiss, to the owner, who can do either. The point to be considered is whether barratry, in the sense in which it is used in our policies of insurance, can be committed against any but the owners of the ship. It is clear, beyond contradiction, that it cannot; for barratry is something contrary to the duty of the master and mariners, and the very terms of the policy imply that it must be in the relation in which they stand to the owners of the ship. The words are 'master and mariner,' which are very particular. An owner cannot commit barratry. He may make himself liable by his fraudulent conduct to the owner of the goods, but not as for barratry. And, besides, barratry cannot be committed against the owner with his consent; for though the owner may become liable for a civil loss by the misbehaviour of the captain, if he consents, yet that is not barratry." Based on these conclusions, the judgment of Lord Mansfield went against the underwriters, who had to pay the claim.

The constantly varying decisions of the law courts as to what constituted frauds in marine insurance, and the immense difficulty of bringing proof sufficient for conviction, had the necessary consequence of leading to a constantly growing augmentation of offences. It was asserted

by the writer of a pamphlet published in 1799, that no less than one-third of the claims preferred against underwriters were "mixed with fraud," and that one-tenth were such as came within the term of "gross frauds." The evil increasing greatly about this time, in consequence of the war and the feverish state of political and social life, it was deemed necessary to make at least a strong attempt to check it, and, after due deliberation, a number of the underwriters at Lloyd's united together for the purpose of setting the law in movement, upon the first opportunity that could be found. Several instances had occurred of crimes committed in so daring and reckless a manner, that it was thought the proofs required by law, difficult though they might be in obtaining, could be got by perseverance, and with this object in view a watch was set upon all cases of suspicion of fraud coming within the scope of the penal Act of 11th Geo. I. cap. 29. It was not long before one such case, calling more than others for retribution, offered itself in what Mr. Throckmorton, in his evidence before the select committee of the House of Commons, described as the fraud of "the noted Captain Codling."

Early on a fine Sunday morning, on the 8th of August, 1802, while the sun was shining bright upon a calm sea, the promenaders on the beach of Brighthelmstone, or Brighton, were surprised to behold a brig in the offing, only a few miles from shore, evidently in a sinking state, and yet making no signals of distress. A number of fishermen's boats had pushed off already to offer their services to the strange vessel; but, when approaching it, the captain sternly ordered them away, declaring, with an oath, that he would not allow any one to come on board as long as he was there, the master of his own property. Compelled to do so, the fishermen stood away, hovering about the sinking vessel, and their movements, and the noise made by them upon the quiet and almost waveless sea, soon brought up a small man-of-war cruising about, the revenue cutter "Swallow." Unlike the fishermen, the officer in command of the cutter,

Captain Amos, paid no attention to the order to stay away from the brig, but, taking her in tow, without long parley, commenced pulling her towards the shore. But it was found that the brig was already thoroughly water-logged, and when still about two miles from shore she sank, but in water not deep enough to prevent the two masts from appearing over the surface. The captain and crew of the sunken vessel before this had taken to a boat, prepared in every detail to receive them, and they quickly rowed ashore, stared at by the crowd of idlers at the beach, some of them expressing wonderment at a shipwreck occurring on such a day at such a place. No attention was paid to these remarks; but the group of shipwrecked mariners straightway marched to the nearest inn, the Old Ship. Here the leader gave his name as Captain William Codling, commanding the brig "Adventure," from London, now lying wrecked on the sands facing the inn.

The brig "Adventure" had left the River Thames on the 8th of July, 1802, bound for Gibraltar and Leghorn, with a general cargo, declared to consist of cutlery, plated goods, watches, musical instruments, and similar articles. The owners of ship and cargo were two London merchants of good repute, Mr. George Easterby and Mr. William Macfarlane, who, before the vessel sailed, gave orders to several brokers to get policies of insurance at Lloyd's on their property, to the amount of between four and five thousand pounds. The insurances were duly effected, the principal underwriters being Messrs. Joseph Marryat, Robert Shedden, James Nash, Thomas Rider, William Ness, and James Honyman. This done, the "Adventure" went to Yarmouth, where a small quantity of goods, certified of the like description as the previous cargo, was shipped, the owners at the same time taking out additional policies at Lloyd's, which nearly doubled the amount of insurances previously secured. At Yarmouth the supercargo of the vessel, Mr. Edward Storrow, suddenly left, declaring he would go no further in the "Adventure," and his place was

filled by Mr. John Reid, sent by the owners from London. After staying at Yarmouth for nearly a week, the brig directed her course to Deal, and from thence went back to Aldborough, where the captain went on shore at night for an interview with some persons that had come to the place. Setting once more sail now, the "Adventure" got to the Downs, throwing anchor amidst a mass of shipping, waiting for a favourable wind to leave the channel. Here the mate, following the example of the supercargo, declared his intention not to proceed any further, which was not objected to by the captain, who filled his place by a common sailor, Thomas Cooper, notwithstanding the earnest declaration of the latter that he knew nothing of navigation, and could not possibly execute the duties thrust upon him. After a short stay in the Downs, hoped-for winds set in, and thereupon all the vessels quitted their anchorage, and proceeded southwards, except the "Adventure," which waited several days longer. At last, on the evening of Saturday, the 7th of August, Captain Codling gave orders to sail, and at the same time had a keg of rum brought on deck, for the free use of his crew. There was great merriment on board the "Adventure" all the summer night through, which continued till between seven and eight o'clock on Sunday morning, when the captain and his men took to the long boat, and comfortably went ashore. It had taken Captain Codling just a month to take the "Adventure" from the Thames and get her stranded at the beach of Brighton.

All the fishermen and other watchers on the beach, who had seen the proceedings of the brig and the crew before sinking, the refusal of the captain to accept aid, and the enforced haul of the sinking vessel toward the shore by the revenue cutter, freely and unanimously exchanged with each other their opinions of this being a gross case of scuttling. The news of the stranding of the "Adventure" reached Lloyd's the day after the event, and the underwriters, not losing a moment, sent at once an agent, Captain Robert Douglas, described as "a discreet person and of experience

in matters of navigation," to Brighton to investigate the whole affair. The agent of the underwriters arrived on Tuesday, the 10th of August, when he found Captain Codling and his crew still snugly settled at the Old Ship Inn. Producing his authority from Lloyd's, Captain Douglas desired them all to stop where they were, so as to be able to assist in the salvage of the stranded brig, which was readily promised. But the next day (Wednesday) the owners of the "Adventure" and its cargo, Messrs. Easterby and Macfarlane, appeared on the scene. The agent of Lloyd's made them give their word that they would not let Captain Codling and his crew leave Brighton without his permission; but, notwithstanding this promise, they the same evening took the captain in a secret manner to the coach office, and under the assumed name of Postato sent him off to London. In the meanwhile, Captain Douglas had made preparations to bring the sunken brig to shore, and the fishermen employed on the task succeeded so well that at high water on the morning of Thursday, the 12th of August, the "Adventure" was hauled up the beach, her masts still standing, and apparently undamaged by her immersion. Captain Douglas was the first to go on board; but, before climbing up the side, he and all around noticed an opening in the planks on the larboard side of the vessel, evidently made by a number of auger holes. A glance, in examining the place of the breach inside, showed the way in which the holes had been made, the instruments, a large gimlet and a hatchet, lying still on the floor. Stronger evidence of a vessel being scuttled, or as recited in the Act of 11th George I. cap. 29, "wilfully cast away," could not well be obtained, and a criminal prosecution under the Act was therefore at once decided upon by the underwriters.

To seize Captain Codling, together with the owners of the "Adventure," was the first task, accomplished with no little difficulty. The moment the stranded brig was hauled ashore, Messrs. Easterby and Macfarlane had hurried away, taking the coach to London, in company with Mr. George Reid,

supercargo, Thomas Cooper, acting mate, and several others of the crew of the "Adventure." The supercargo was first arrested, and, after some trouble, the owners of the brig were likewise taken in charge, Mr. Macfarlane being found hidden in the lodging of one of his mistresses, "Miss Phillis Pattison," resident in "King David Lane, Ratcliff." All trace of the captain of the "Adventure" seemed lost for a day or two, till there was found among the papers of Mr. Easterby a letter from him, dated August 12, announcing that he was on the point of leaving London, and had "thought it most prudent to take the first conveyance to Colchester, which is twenty miles from Harwich," where he hoped to "succeed to save the packet, or bye-boat, or a collier." Captain Codling assured his employer finally that he would do all he could to "forward the journey with despatch," so as to "settle our unfortunate business." With this letter as a clue, the agent of Lloyd's hurried away to Harwich. When he arrived, two packets had just started for the continent, but in the list of passengers by them, left at the port-master's office, the name of Captain Codling was not to be found. However, the active agent nevertheless hurried after the packets, stopped them both, armed with his warrant of arrest, and searched them. In the first packet the looked-for culprit was not to be found; and Captain Douglas was nearly giving up the search of the second, when he perceived a somewhat bulky bundle of bedclothes in one of the berths. The clothes covered the half-smothered commander of the stranded brig. He made no resistance in being taken ashore, and from thence to London, to take his trial, together with Messrs. Easterby and Macfarlane, and John Reid, for "wilfully and feloniously casting away a vessel called the Adventure, on the high sea, within the jurisdiction of the High Court of Admiralty of England."

The trial took place before a jury, presided over by Sir William Scott, judge of the High Court of Admiralty, and Lord Ellenborough, Lord Chief Justice, at the Old Bailey,

on the 26th of October, 1802, and created the most absorbing interest among underwriters, and all persons connected with marine insurance. Notwithstanding the extraordinary clear and convincing evidence of the wilful destruction of the vessel, which the prosecutors were able to bring into court, it was still generally doubted that there could be a condemnation, the Act of the 11th George, upon which the whole chance of a conviction rested, being so badly drawn, with so many loopholes in its ambiguous wording, as to give the widest field to the display of forensic fencing skill, and consequent failure of justice. To prevent this, if possible, it was resolved by the two counsel for the prosecution, Mr. Garrow, afterwards a Baron of the Exchequer, and Mr. Gibbs, subsequently Lord Chief Justice of the Common Pleas, to bring in as an informer, or "king's evidence," the sailor who had been the immediate means of sinking the brig, and who was ascertained to be the man Cooper, promoted curiously from before the mast to act as mate. The poor fellow, having scampered off in the first instance to take shelter with his mother, at Saxmundham, was brought from his hiding-place by the offer of a large reward, and his evidence before the court, given in a very plain and straightforward manner, which evidently impressed judges and jury, brought to light a strange tale of corruption, showing that the wilful sinking of vessels had become a sort of business, carried on quite openly, like an ordinary mercantile transaction.

Thomas Cooper deposed to having been ordered by his captain, as coolly as if it were a part of his daily duty, "to go down, take the scuttle-hatch up, and bore some holes with an auger, close in the run, as near the bottom as possible." The first holes not letting in the water fast enough, Thomas Cooper received the captain's command to take a "spike-gimlet," which was to make the openings larger, and, even this not accomplishing all that was desired within the shortest time, a hatchet was brought into requisition. It was further given in evidence by Cooper, and

proved by other witnesses, that Captain Codling conversed not only freely with his crew about his intention to sink the "Adventure," but did the same after his arrival at Brighton, when the owners of the stranded brig had come to meet him. The first greeting of the owners consisted of bitter reproaches for having executed his task so badly, in sinking the vessel near the English shore. Mr. Easterby told Codling he was "a d—— fool, and had made a stupid job of it;" that he might have "taken her to the coast of France;" and then they might have "taken the boat, as it was fine weather, and gone to either shore." Another remark was that "it had been done hundreds of times, and always succeeded."

One of the most melancholy outcomings of the trial was the proofs it furnished of the readiness of certain classes of the trading community to aid in the accomplishment of insurance frauds. Either with the active help, or the silent connivance of a number of people, the owners of the "Adventure" procured, apparently without any difficulty, false bills of lading, false ship manifestoes, and false certificates of every description, under cover of which they were enabled to effect high insurances upon goods that had no existence. It became clear, from the evidence, that both the owners of the vessel stranded at Brighton had made frauds upon underwriters: their stranded brig, the "Adventure" having been purchased on purpose only a couple of months before sailing, previous to which they possessed another brig, called the "William," regularly subject to "accidents." In spite of a mass of suspicion surrounding all their doings, they were, as far as the evidence showed, of good repute in the City of London, a great number of witnesses, called upon for their defence, giving them a high character for honesty and integrity. But there were other witnesses, who, with curious cynicism, more than hinted that Messrs. Easterby and Macfarlane were honest men in general, as far as the payment of their debts went, and that this reputation for honesty was no more vitiated by scuttling a vessel, than it would have been by using the same

vessel for fishing. Lord Ellenborough, when summing up the case to the jury, was forced to remark that evidence regarding character was worthless when given by witnesses without character.

The jury at the Old Bailey, sitting from early in the morning till midnight, acquitted Mr. John Reid, the supercargo of the "Adventure," on the ground, strongly urged by his defending counsel, and not opposed by the judges, of his not being an "officer" within the meaning of the Act passed in the 11th year of George I. The other three prisoners were found guilty, and Captain Codling was at once sentenced to be hanged, the judge, Sir William Scott, holding out no hopes of mercy. The sentence was carried out at Execution Dock, on the 27th of November, 1802, in presence of an enormous crowd of spectators, many of them seafaring men. The law was thus fully vindicated as far as the miserable commander of the "Adventure" was concerned; but it suffered once more failure as regarded the owners of the stranded brig, who were proved at the trial to have been the first and principal instigators of the fraud. Possessed of sufficient means, Messrs. Easterby and Macfarlane had been able to secure in their defence the service of one of the first counsel of the day, the Hon. Thomas Erskine, afterwards Lord Chancellor Erskine, who succeeded in picking the indictment against them to pieces, in a way that delighted the heart of every lawyer present at the trial, not excepting the learned judges on the bench. His plea was that the proceedings were taking place solely under the jurisdiction of the High Court of Admiralty, and that under the constitution of this Court, as fixed by general law, it could take no cognizance of a felony committed upon the land, while the particular Act of Parliament relied upon in the indictment of the owners of the "Adventure," which created the offence and directed the mode of punishment, had not in any manner enlarged the jurisdiction of the court. Consequently, it being quite clear that Messrs. Easterby and Macfarlane had not been

in the "Adventure," or anywhere at sea, when the crime they were accused of had been committed, the High Court of Admiralty had no power to try them. The astute lawyer added, with great oratorical effect: "I am aware of the general feelings of the public when the law is found unequal to reach great offenders; but the wise and thinking part of mankind need not be reminded at this time of day that, if a defective law could therefore be overleaped to reach them, the same principle would extend also to overleap all the barriers which our free government has set up for the protection of the subject against arbitrary discretion and power." The Old Bailey jury, in bringing a verdict of guilty against the owners of the "Adventure," showed that they were not a sufficiently well-chosen segment of the "wise and thinking part of mankind," to appreciate both the argument and the rhetoric of the Hon. Thomas Erskine, but the effect upon the presiding judges was complete. No sentence was passed upon Messrs. Easterby and Macfarlane; they were merely remanded, and before long set free on a pardon, their case having been argued before the twelve judges in the Exchequer Chamber. To remedy the defects of the law, as shown in this case, Parliament enacted a fresh statute, 43 Geo. III. cap. 113, introduced by Lord Ellenborough.

Many other attempts to prevent insurance frauds simply by penal enactments followed those of Lord Ellenborough, but they were all more or less inefficacious. It was thus that, gradually and slowly, the conviction came to underwriters, that the less they depended upon the legal punishing of frauds, and the more on their own vigilance to prevent them, the better it would be. A striking example of how little the most severe penal laws could do to put a stop to frauds upon underwriters, was furnished by the United States. In an article which appeared in "Hunt's Merchant's Magazine" in 1840, it was stated, by a writer who had gathered a vast number of authentic facts, that "one out of every three of the demands which have been

made upon marine insurers in the United States may be said to have borne the badge of fraud." The writer gives many curious instances in proof of his startling assertion. "There has been, and is," he says, bringing his narrative down to 1840, "a fraternity of plunderers in New York, who have contrived to obtain possession of many vessels by the use of a little money. Their usual plan has been to buy a vessel, part cash part credit, and then to get a merchant to advance money upon her, and procure in his own name a policy of insurance for a valuation exceeding by at least fifty per cent. her real cost. Having got the advance, and with it another stretch of credit, a cargo is procured, and this generally secures a second advance of cash upon the cargo and freight, covered by further policies of insurance. The advance on these last policies pays the vessel's outfit, and repays the amount of cash which they have advanced on her purchase. The rest of the adventure is easily described; the vessel sails, is burnt, scuttled, or otherwise cast away. Sometimes she is dismasted by cutting the 'lee laniards of the lower standing rigging,' so that, when they 'lack ship,' she may lose her masts without any apparent act of the master; and, to effect this, a dark night, and squally or rough weather, are most convenient. In another case, she is run ashore, and, if she do not bilge, holes are bored to destroy her cargo and make the vessel appear to be worthless. As an auxiliary to the bilging by boring, the masts are often cut away under the pretence of making her 'lie easy,' or to prevent 'thumping.' Cutting away the masts, when no holes are bored, is practised where the stranding takes place within the reach of wreckers who might save the vessel, and it is done for the purpose of securing the right of condemnation, or with the desire to make any attempt at saving useless, and not worth the expense."

Proceeding in his description, the writer goes on:— "Holes have been bored in vessels, and plugs fitted and inserted, to be taken out at sea: and arrangements have

been made with the captains of other vessels to keep company and take off the captain and men when this was done. A ship bound to New Orleans was purposely run in among the Florida reefs, and, owing to the ignorance of the captain, she became so situated as to require much perseverance on his part to keep her in a dangerous situation, two good channels being so open to him as to make it necessary to get help from the wreckers who came in sight to find a bad one. He went on board of the wrecking vessels, and agreed that they should give him one thousand dollars for the job of running her ashore. The day was too bright and the wind too fair to insure success, and the ship remained at anchor until a dark night and a head wind afforded a more favourable opportunity; but, with these and all their combined skill, she came so near going through the channel safely, as to render it necessary to make her toss about for the space of two hours to find a reef which was hard enough and sharp enough; and when they had with much patience selected the place, and got a cable and anchor to heave her harder ashore, she would not stay stranded with their best efforts, but floated over the reef, and as daylight came they had to take her to Key West, where, as the fraud was apparent, the Judge of the Admiralty Court refused to decree any salvage; and as the captain was thus about to lose his $1,000 he consummated his villainy by swearing for the wreckers that they 'acted in good faith.' He procured the condemnation and sale of the ship."

While the penal laws of the United States, far more severe than those at present in existence in Great Britain, are of no avail to stop frauds such as those here described, they have in late years become of the rarest occurrence, and almost unknown, in the United Kingdom. The terrors of the law have scarcely been enforced in all their severity since "the noted Captain Codling" was hung at Execution Dock; but the law has been, nevertheless, well guarded by those excellent officers known as "Lloyd's Agents."

CHAPTER XV.

REORGANIZATION OF LLOYD'S.

THE parliamentary inquiry into marine insurance, while it ended in a complete victory of Lloyd's—the monopoly of the two chartered companies being avowedly maintained only as a protection of the interests of the associated private underwriters—yet led to a disclosure of many defects in the internal government of the society, and a general desire to see them remedied. A movement to this effect took place immediately after the close of the parliamentary inquiry, the lead in it being taken by Mr. Joseph Marryat, M.P. It was he who, as chief representative of the private underwriters in the House of Commons, had borne the brunt of the battle and turned it in favour of his party; but, while doing so, he did not fail to see much of its weakness, which brought on a determination for doing all in his power to achieve a reorganization of Lloyd's. The aim meeting with the support of a large majority of the members, a general meeting was called together in March, 1811, when, on the motion of Mr. Marryat, a committee of twenty-one members was appointed, "to consider of such measures as may be necessary for the future good management of the affairs of this house," he being chosen the chairman.

The report of the committee of twenty-one, drawn up by the chairman, was issued on the 19th of July, and went deeply into the affairs of the society, embodying with proposals for its reorganization a retrospective survey of the past. "Before your committee," the report ran, "could decide what rules and regulations it might be expedient to propose for the future management of the affairs of Lloyd's, it was necessary to inquire what rules and regulations actually existed, and thus to ascertain how far they were called upon to revive and enforce the standing order of the house, and to provide new ones suitable to the exigency of the case. The due discharge of this preliminary part of their duty obliged them to investigate the journals and records of the house, from its first establishment down to the present period." The result of this investigation, the report went on to say, showed "how little had hitherto been done as to the establishment of any regular system, for the management of the affairs of Lloyd's."

According to the sketch given in the report of the committee, the government of Lloyd's, as existing at the time, and for the preceding forty years, had been chiefly vested in a "House Committee" of from twelve to twenty members, nominated for life and receiving no remuneration, who shared their authority to some extent with the "masters," the latter filling a very peculiar position, described further on. Nominally, the members of the "House Committee" were entrusted with all the functions of an executive, but now and again, in fitful starts, the body of subscribers, acting as a Parliament asserting its rights, interfered with their doings, with no particular good resulting therefrom. "It is proved by the investigation," says the report, "that the subscribers, convened at general meetings, have, on various occasions, exercised a supreme authority; that they have controlled the House Committee, even in those points which appear to have been most immediately delegated to their superintendence; that they have regulated the appointment of the masters, the apportionment of their salaries, and

even the duties and attendance of the waiters—examples of which are to be found in the proceedings of the general meetings that led to the establishment of New Lloyd's, and in the more recent proceedings of the general meetings of 1796 and 1800. These occasional interferences, however, appear to have been the impulse of the moment, and to have led to no regular system of rules and regulations for the future government of the House Committee, who were always left to a discretionary exercise of power until some of the subscribers, thinking that they had exceeded all just limits, again restrained or controlled them, in the particular instance, by taking the sense of a general meeting, after which the Committee was left to go on as before." That such a defective organization as here described worked fairly well for forty years, speaks very highly for the general intelligence of the great body of the members of Lloyd's.

In the whole of this old organization there was nothing more peculiar than the function of the "masters." Edward Lloyd, the founder of the Coffee-house, having, as far as can be ascertained, no heirs to continue the management of his property, he was succeeded by a "master," the first person bearing the title, Mr. Baker, referred to as early as the year 1740. It is highly probable that the earlier "masters" were the proprietors, or part proprietors, of the Coffee-house in Lombard Street, but this had naturally to cease when Mr. Angerstein and his friends established, in 1771, the "New" Lloyd's in the Royal Exchange. Old Lloyd's had been a proprietary club; but the New Lloyd's became from the commencement a club belonging only to its members. The owners, requiring a general manager, selected one, generally, from among the waiters, giving him the title, already grown familiar by custom, of "master." The first master of New Lloyd's, appointed at the opening of the rooms on the first floor of the Royal Exchange, was Mr. Thomas Fielding, who died in January, 1778, when the House Committee appointed in his stead Mr. Thomas

Tayler, who had been his assistant for some time. The position of master was sufficiently lucrative at the time to lead the committee to pass the following resolution, enrolled in the minutes under date of January 15, 1778: "That Thomas Tayler shall from this time be the master of the Coffee-house, under the order of the committee, on condition of his paying to the widow of Thomas Fielding, deceased, for the use of herself and children, the sum of one hundred pounds a-year, until the committee direct otherwise, the first quarterly payment to be made on the 25th of March next."

Mr. Thomas Tayler remained master till his death, which occurred in June, 1796, previous to which he had taken to himself a partner, who made a claim to become his successor. But the claim for the time was not admitted by the committee, as recorded in a minute under date June 23, 1796. "The death of Mr. Thomas Tayler having been reported to the committee," the minute runs, "they called upon Mr. Bennett, his partner, to know what agreement was made between them, when he produced an agreement of partnership, by which it appears that it was to be in force until the 25th of December, 1796, when the net profits were to be equally divided. It being desirable that the said partnership should immediately terminate, Mr. Bennett was desired to apply to the executor of Mr. Tayler for that purpose." From the minute of a subsequent meeting, it would appear that the deceased master had given some trouble of another kind to the House Committee of Lloyd's. The minute, dated August 3, 1796, records that "Mr. Watson, having by the desire of the executors of Mr. Thomas Tayler, read before the committee a bill of Mr. James, the attorney, for a prosecution entered against Mr. Tayler, for some information given respecting the ship Alliance, Captain Aris, ordered a draft for £42 6*s.* 9*d.* the amount." There were so many applications for the post of master of Lloyd's, vacant by Mr. Tayler's death, and the filling of the place by a competent and trustworthy person was deemed so important, that

the House Committee made the task over to a general meeting of the subscribers, which was held on the 17th August, 1796. The meeting, to satisfy the most urgent claimants, and for other reasons, came to the decision of appointing provisionally three masters, to be called "joint masters," the first, Mr. John Bennett, former partner of Mr. Tayler, to have one-half of the emoluments of the office, and the other two, Mr. White and Mr. Treblecock, to divide the second moiety between them. On the death of the last-named, in 1799, Messrs. Bennett and White requested that his quarter share should be divided amongst them, the place of third master remaining vacant, which demand was, after some hesitation, granted by the House Committee, under the proviso that the vacancy should be only "for the present." Numerous candidates were again in the field, it having become generally known that to be a master of Lloyd's, if only a junior, meant both an influential position and a handsome income.

In the report of the committee of twenty-one, it was again recommended that there should be three masters, and that the son of the first master, Mr. John Bennett, jun., should be appointed to the place of third master, vacant since 1799. The reasons given by the committee for having three masters were that, first, "the attendance of one master is necessary at the bar in each of the two rooms, and a third master is wanted to perform those active duties and exercise that general superintendence which cannot be given by those that are stationary;" and, secondly, that it was "also advisable because it holds out additional encouragement to the waiters, from among whom, if properly qualified, the subscribers will fill up the vacancies as they happen, and whose chances of promotion are increased in proportion to the increased numbers of the masters." There is a succinct description in the report of the committee of the income and duties of the masters of Lloyd's, which clearly shows the nature of their position at the time. "The masters," the report says, "exclusive of the profit they

derive from the Coffee-rooms, receive three guineas per annum from each subscriber for themselves, and one guinea for the waiters. Out of the former sum, they pay the rent and taxes, and they furnish coals, candles, stationery, newspapers, and some other articles, for the subscribers' rooms; the latter sum is divided among the parties for whose use it is subscribed." Commenting upon this position of the "joint masters," the committee state that they can "see no necessity for disturbing the present arrangement of the receipts and expenditure of the masters; they also consider it an act of justice to state that the duty of the masters with respect to the daily information received by them, their mode of keeping the books of arrivals and losses, copying the post letters, and the other branches of that department, is satisfactorily executed, and cannot, in their opinion, be placed upon a better footing."

It will be seen that the duties imposed upon the masters of Lloyd's were somewhat anomalous. Drawn from the ranks of the waiters of the Coffee-house, they were, in reality, only chief waiters; still, at the same time they were called upon to perform most important duties, demanding not only considerable intelligence, with a good education, but likewise that undefinable something best expressed by the word "gentleman." Mr. Angerstein's sagacity had long perceived this anomaly, and, as recorded in the minute-books of Lloyd's under date of August 5, 1796, he made at that early time "a suggestion 'of having a secretary to the committee, who should, under their direction, have the full management of all the correspondence relating to the business of the house." The "suggestion" was not acted upon, and things remained entirely in the old state till the year 1804, when it became necessary for the committee to enter into a regular correspondence with the Government regarding convoys, and other important matters. The first few letters being signed, as usual, by the masters, there came a curt reply from the Earl Camden, Secretary of State for the Colonies and War Department, stating that he

regretted not to be able to enter into epistolary intercourse with the "waiters" at Lloyd's Coffee-house. This necessitated the appointment of a secretary, who, however, was not the functionary desired by Mr. Angerstein, having "the full management of the correspondence," but merely a member of the committee, acting for the time in this capacity, assisted by a clerk. Imperfect as was the arrangement, it yet resulted in a great improvement of the whole intelligence department, hitherto very defective, and was the immediate cause of the organization, on a systematic plan, of the far-reaching system of "Lloyd's Agents."

The most important recommendation made in the report of the committee of twenty-one was one respecting a new governing body of Lloyd's, and this was in its special reference to the appointment of "Lloyd's Agents." The report declared it to be "essential" that the "New Committee," the proposed executive, "should be empowered to appoint Agents, to act for the benefit of the underwriters wherever they may think proper," and it was further strongly recommended "that no powers of attorney be in future granted by individual underwriters." Dwelling upon the necessity of the appointment of agents being made the prerogative of the committee, the report argues that such "appointment, independent of the emoluments that may occasionally attend it, will, it may be presumed, render it a desirable object to merchants in general, who will readily undertake to furnish the committee in return with regular advices of the arrival and sailing of vessels, and every other information in which the interests of the underwriters are concerned. By this means, that universal intelligence, which is so essential to protect the underwriter against fraud, may be reduced to a regular system, and be brought to the highest degree of perfection."

As regards the formation of the new governing body of Lloyd's, the report recommended that its members should be exclusively "men of judgment and experience, and who possess the confidence of the underwriters. The discharge

of their duties would require an early and constant attendance at Lloyd's, which was never expected of any former House Committee, and which must necessarily much interfere with their other vocations." "Your committee," the report goes on, "know no means of inducing gentlemen to make that sacrifice of their time which the new duties, prescribed by the regulations they have to recommend, will necessarily require, than those which have been adopted by other public bodies, namely, of giving the gentlemen by whom they are performed some remuneration for their services—an object of little moment to the subscribers, when compared with the immense stake they have depending on these services being diligently and faithfully performed. Considering the active duties in future to be required of every member of the New Committee, your committee have deviated from the former mode of electing them for life, and recommend that the New Committee consist of twelve members, three of whom shall go out annually by rotation, but be eligible to be re-elected after the expiration of one year. The other regulations they have recommended, relative to the New Committee, are principally matters of form, or go to the definition of their powers or duties."

The whole of the rules and regulations proposed by the committee of twenty-one for the new government and organization of Lloyd's were adopted, with slight amendments, at two general meetings, held on the 30th of July, and 15th of August, 1811. The first division of the new constitution had reference to the future admission of members, making great alterations on this point, on the basis of the report that up to this time "a great laxity prevailed in the mode of admitting subscribers to Lloyd's." It was now enacted under the new constitution, first, "That none but merchants, bankers, traders, underwriters, or insurance brokers, are eligible as subscribers to Lloyd's;" secondly, "That persons desirous of becoming subscribers shall procure a recommendation to the committee, signed by six subscribers, who must attend the committee, if called

upon to do so, and answer such questions as may be put to them relative to the person proposed;" and, thirdly, "That subscribers be balloted for by the committee, the ballot to take place on the first Wednesday in every month." It was further enacted that for the future each subscriber should pay an admission fee of twenty-five pounds, instead of fifteen pounds, as before, the annual subscription for the masters and waiters remaining at four guineas, but being extended to substitutes, who previously were allowed to attend free of charge. In respect to this extension of annual payments, it was ordered "that the masters account to the committee for the sums received for substitutes, to remain as a fund applicable for additional expenses."

In the new constitution of Lloyd's, the largest and most important part, filling twenty-three clauses, related to the powers and duties of the reformed governing body of the society. It was enacted in the first clause, "That the New Committee shall consist of twelve members, three of whom shall go out annually by rotation, on the 31st of December in each year: those members of the New Committee to go out first who are elected by the lowest number of votes, and so on each year in succession." In clauses two to eight, the mode of election of the committee was prescribed, it being ordered that it should take place by ballot, at an annual general meeting held on the second Wednesday in December, the name of each candidate to be backed by at least sixteen subscribers, and no member of the committee to be re-eligible before the lapse of a year. Clause nine prescribed: "That the committee choose from among themselves a chairman, and three other members, to constitute a Committee of Treasury, who shall act as trustees for the subscribers at large, and in whose names their funds shall be vested. The members of the Committee of Treasury, as they go out by rotation, to transfer the funds into the names of their successors." The next three clauses ordered the formation of a "Committee of Correspondence, whose special duty it shall be to attend at Lloyd's every day by

eleven o'clock precisely, for the purpose of examining such intelligence as may be received by the committee, arranging the necessary communications to be put on the board for the information of the subscribers, and superintending the letters to be written to the public departments of government, or to foreign correspondents." It was also provided, "That the duties of the Committee of Correspondence be taken monthly, in regular rotation, or otherwise, as may be agreed upon by the committee themselves," and further, "that it shall be considered as imperative on every member of the committee to discharge this duty in person, unless he can find some other member to undertake it for him." It was recommended by the committee of twenty-one, and voted at the general meeting of the 30th July, 1811, that a secretary, acting more immediately under the orders of the Committee of Correspondence, should be appointed, "with a salary of £200 per annum." Mr. John Bennett, jun., who was at the same time elected to fill the place of junior of the three "joint masters," was appointed to this new post, thus becoming the first regular Secretary of Lloyd's.

The important recommendation of the committee of twenty-one, that for the future the power of appointment of all Lloyd's Agents should be exclusively with the governing committee, met at first with some resistance, but was finally adopted by the general meeting, and made part of the new constitution, forming the last clauses. It was enacted, first, "That the committee have the power of appointing agents in any ports or places they may think proper, under such regulations and restrictions as their legal advisers may recommend;" and, secondly, "That the names of the different persons acting as Agents for Lloyd's, under the sanction of the committee, be annually published, with the list of the subscribers." The general meeting of August 15, 1811, which adopted these clauses, likewise gave its sanction to a form of "Letters of Instruction," to be sent to the various Agents in Great Britain and

foreign countries. The following was the general form decided upon for the "Letters of Instruction" to Lloyd's Agents :—

"The subscribers to Lloyd's have adopted various rules and regulations for the future management of their concerns, and among others have passed a resolution investing their committee with the power of appointing Agents in any port or place they may think proper. The intention of the subscribers in leaving these appointments to their committee was to make them subservient to the important object of establishing such an universal and regular system, both of intelligence and superintendence, as would diminish the temptation to attempt frauds upon underwriters, by increasing the obstacles to their success. From the numerous applications which have been made, by persons of the first respectability, for these appointments, the committee are led to believe that they are considered as highly desirable and honourable; and, as the committee have reason to think that they will eventually be productive of emolument also, they expect that those who may be selected to fill this office, independent of the duties that more immediately attach to it, will also furnish them in return with prompt and regular advices of the arrival and sailing of vessels, of their being in circumstances of danger and distress, of the appearance of any enemy's cruisers or privateers, and such other information as may be important to the interests of the underwriters. On consulting their legal advisers, the committee do not think proper to grant regular powers of attorney, the underwriters not being a corporate body. The committee, however, conceive that their nomination, sanctioned by the rules and regulations adopted by the subscribers to Lloyd's, and rendered obligatory upon them by a deed of trust, will give the same weight to your interference on their behalf, as if it were authorized by a formal legal instrument. No power of attorney from the assurers can deprive the assured, their agents or assigns, or the masters of vessels, of that control over property which the

law has given them; but where neither principals nor their agents are on the spot, and where masters may want advice and assistance, in cases where the interests of underwriters are concerned, they will hardly hesitate to put themselves into the hands of the agents nominated by the committee, to whom the underwriters have delegated the power of making these nominations."

The "Letters of Instruction," alike up to this point for agents in Great Britain and in foreign countries, here had an interpolation inserted for the latter class, given further on. The form, for home agents alone, then continued as follows, giving an enumeration of "the duties which the committee expect their [British] Agents to perform:"—

"In case of vessels being in distress at sea, or being driven on shore in the neighbourhood of the port where you reside, the committee wish you to inform the master that you are appointed to act as their Agent, and to offer him such services as the nature of the case may require.

"If anchors and cables are wanted, you will take care to supply them of the best materials; and it will be proper to have a distinguishing mark and number stamped under the stock of the anchors, in order that they may be recognized and claimed on any future occasion.

"It is important to attend to the protests of the masters, to see that they are regularly and properly drawn, and contain a full and correct statement of facts; and the committee wish that you would certify the same on the protest, when opportunity permits.

"Where remuneration is claimed for assistance rendered to vessels in distress, it is proper to attend the meetings of the commissioners, magistrates, or other persons legally authorized to determine the amount, in order to rebut any exaggerated statements, on the part of the salvors, by the evidence of the master and crew, and to see that the provisions of the different acts of the legislature, for the regulation of such claims, are duly observed.

"In cases of wreck, you will take charge of the ship's

materials and stores, together with such merchandize as may be saved, and call upon the proper officers to be vigilant in preventing waste, or plunder; and if any flagrant instances of plunder should occur, which call for condign punishment on the offenders, it will be incumbent on you immediately to apprise the committee of the particulars.

"In cases of average, where the sale of damaged goods may be necessary, you will see that none but those actually damaged are sold for account of the underwriters; and, if the articles are subject to duty, apply to the custom-house for a reduction of duty, in proportion to the extent of the damage they have received.

"When vessels are repaired, you will take care that the repairs done at the expense of the underwriters are confined to the damages actually received on the voyage then insured, and do not extend to those that may have been received on a former voyage, or to defects arising from age; you will also take care that intelligent and professional men are appointed as surveyors on these occasions, who will distinguish between the repairs to be charged to the underwriters and those to be charged to the owners.

"Attempts are sometimes made to condemn ships and cargoes, because it is the interest of the parties to abandon. Frauds of this nature may be prevented by due attention to the circumstances of the case, and the appointment of respectable persons to act as surveyors."

The "Letter of Instruction" to Lloyd's Agents in foreign countries contained, instead of the foregoing, the following "enumeration of duties":—

"The principal points to which the committee wish to direct your attention are cases of capture and recapture, condemnation of ships and cargoes, repairs of vessels, and goods damaged by salt water.

"It frequently happens when a vessel is captured and recaptured, that, instead of the salvage being paid, and the vessel proceeding to her port of destination, both vessel and cargo are sold 'for the benefit of the underwriters,' as

it is termed, and the loss is much increased by this means. The committee are instructed that if the salvage is regularly tendered, and the tender notified to the courts, no judge would afterwards decree the sale of the property. It is, therefore, highly important to the underwriters that in these cases such a tender should be made; and your bills on the owners for your reimbursements, including your commission, may in most cases be effectually secured by a bottomry bond on the vessel and cargo. If, however, you should have reason to entertain any doubt as to the security of your advances, or if any difficulty should occur in getting cash for your bills, you may procure an order from the court for the sale of so much of the cargo as is necessary to pay the salvage charges and expenses.

"Ships and cargoes are sometimes condemned, not so much from real necessity, as because it is the interest of the parties to abandon, and throw the loss upon the underwriters. Frauds of this nature may be prevented by due attention, and the appointment of respectable persons to act upon surveys, who will distinguish between accident and design, or unseaworthiness arising from natural decay, for which underwriters are not liable.

"With respect to averages, it is only necessary to see that the goods are actually damaged by salt water, and that none but the damaged pieces are sold for account of the underwriters. The too common practice of selling an entire package of goods because a few pieces in it have been injured, is wholly illegal. In ports where a reduction of duty is made, in proportion to the extent of the damage the goods have received, as in the United States of America, the rate of allowance made by the government ought to be the criterion of the average claimed of the underwriter, and the certificate of that allowance should always accompany the other papers.

"Various circumstances may arise for which no instructions can provide, and in which the committee rely on the exercise of your judgment and discretion. They have only

to observe that underwriters require such premiums as experience has taught them to calculate will indemnify them for the risk they take; and that, as they are obliged to make the good pay for the bad, it is the interest of every honest merchant to protect them against imposition."

The "Letters of Instruction" to all the agents, British and foreign, concluded as follows:—"In all cases, you are to take your payment from the owner of the vessels or goods, for your commission as well as disbursements, observing that the committee are not to be made responsible for the payment of any charges on business that you may be introduced to in consequence of their appointment. You will correspond also with the owners respecting your proceedings, confining your correspondence with the committee to those points which interest the general body of the underwriters."

At the general meeting of the members of Lloyd's, held on the 15th August, 1811, which adopted the report of the committee of twenty-one, confirming the resolutions of the previous general meeting of July 30, the new governing body of twelve members was likewise elected. The ballot produced the following list of names of the "New Committee for managing the affairs of Lloyd's":—

Joseph Marryat, Esq., M.P.	James Innes, Esq.
Horatio Clagett, Esq.	Woodbine Parish, Esq.
Robert Shedden, Esq.	George Munro, Esq.
Joshua Reeves, Esq.	William S. Hathaway, Esq.
Benjamin Shaw, Esq.	John Hatt Noble, Esq.
Thomas Rowcroft, Esq.	James Swanzy, Esq.

Mr. Joseph Marryat, M. P., was unanimously elected chairman of the New Committee, and he, with the next three members obtaining the largest number of votes, viz. Messrs. Clagett, Shedden, and Reeves, were constituted into the "Committee of Treasury," undertaking the obligation, prescribed by the rules, to "act as trustees for the subscribers at large, and in whose names their funds shall be

vested. A deed of trust was next prepared, and subscribed by all the members of Lloyd's. It recited, among others, that "whereas the capital stock of the subscribers at present consists of the sum of £24,000 three per cent. consolidated annuities, and the further sum of £1,093 12*s.* 11*d.* in the hands of the bankers, both which sums have been transferred into the names of Joseph Marryat, Horatio Clagett, Robert Shedden, and Joshua Reeves, as being the Committee of Treasury, and who as such committee are trustees for the subscribers for the time being; and whereas it may be deemed expedient to alter and amend some of the resolutions which were passed at the said general meeting of the 30th of July, and confirmed on the 15th of August last, and to make other rules and regulations respecting the election of new subscribers, the powers and duties of the committee, the appointment of the masters, the mode of calling general meetings, and other matters connected with the good management of the affairs of the subscribers: Now therefore know ye, that we whose names and seals are hereunto subscribed and affixed, do hereby severally and respectively covenant, promise, and agree, to and with the said Joseph Marryat, Horatio Clagett, Robert Shedden, and Joshua Reeves, their executors, administrators, and successors, for the time being, that so long as we severally shall continue to be subscribers, we will respectively duly observe, perform, fulfil, and keep, all and singular the rules and regulations for the management of the affairs of Lloyd's, which have been heretofore passed and confirmed; and also all such further rules and regulations as shall or may at any time hereafter be duly passed and confirmed by a majority of the subscribers for the time being, present at general meetings to be convened for that purpose." To this deed of trust upwards of eleven hundred members set their names.

The reorganization of Lloyd's, concluded in the signing of the deed of trust by all the members, was due mainly to the unwearied exertions of Mr. Joseph Marryat, M.P., who in this instance repeated and carried on the work under-

taken, a generation before, by Mr. John Julius Angerstein. Like the latter, Mr. Marryat had the benefit of a thorough acquaintance with the principles of marine insurance as practised in the various countries of Europe, and felt at all times anxious to introduce from abroad anything which he thought might lead to an improvement of existing arrangements into practice at Lloyd's. In the discussions of the committee of twenty-one, over which he presided, he made the proposal to insert in the report a recommendation to establish at Lloyd's a board for settling averages, similar in action to institutions of the kind existing on the continent, notably at Hamburg. However, Mr. Marryat's proposal did not find favour with the majority of his colleagues; and while his scheme was mentioned in the report, it was not recommended. "It appears to your committee," said the report, "that the great difficulty in settling averages arises either from the want of skill or industry in the broker to state, or in the underwriter to examine them, since the principles upon which they are to be made up have been so completely settled, in most cases, by legal decisions, that disputes seldom happen between men who have given proper application to the subject. It might certainly contribute very much to the ease and convenience of many individuals to refer all complex statements and voluminous papers to a Board of Average; but it is the duty of every broker and underwriter to qualify himself for the avocation he undertakes." The argument, perhaps, was not quite conclusive, yet it was found to express, for the time being, the opinions of the majority of the members of Lloyd's. There was another movement, about fifteen years later, to establish a "Board of Average," but it failed; and since then the necessity for such an institution disappeared in the scientific training of a number of very able men, who, acting in an independent manner and yet united,—in a manner, and under an organization, not dissimilar to that of the underwriters—fill all the functions of the board proposed by Mr. Marryat, under the title of "Lloyd's average adjusters."

CHAPTER XVI.

REPEAL OF THE COMPANIES' MONOPOLY.

THE decisive defeat of the promoters of the New Marine Insurance Company of 1810 in their attempt to overthrow the monopoly of the two chartered corporations, notwithstanding the strong recommendation expressed in the report of the Select Committee of the House of Commons, had the natural effect of stopping for a time similar efforts. It seemed, indeed, highly improbable that as the nine-tenths of the principal merchants of London who were said to be the supporters of the "five-million scheme," as it was sarcastically termed at Lloyd's, had failed in their endeavours to obtain legislative sanction for establishing another marine insurance company, success would crown the movement in the same direction of any lesser body of men. So it came to pass that fourteen years went by without more new schemes being started, and the next that appeared was singularly fortuitous in character, a single individual undertaking what bodies of men feared to venture upon. But then the individual was one of no ordinary stamp. It was Nathan Meyer Rothschild.

Nathan Rothschild, born September 16, 1777, third son of the founder of the great banking-house, Anselm, or Amschel, Rothschild—who began life as a poor broker, in

the Ghetto of Frankfort, the wretched Judengasse, and died worth a million sterling—had come to England at the age of twenty-one to push his fortunes, his first venture being the opening, upon a capital of about £80, of a small business in the money-dealing line at Manchester. Five years sufficed to make the £80 grow to £200,000, and transferring his business to London, in 1803, he brought with him the reputation of one of the most successful accumulators of cash of the day. The renown of Nathan was all the greater as his name as yet stood alone, his father at the time being still in comparatively humble circumstances, without wealth or position, and in England alone the word Rothschild had got connected with the idea of great riches. Though only twenty-six years of age when settling in London, a mere stripling among the grey heads of the money-market, his almost preternatural sagacity in the art of making money brought him at once into prominence, and he became the leading man at the Stock Exchange—none of the members of which could boast, like him, of having multiplied their capital 2,500 times in the course of five years. Nathan unweariedly kept to the multiplication table, entering into the hunt for gold with a zest and an eagerness far distancing that of any of his competitors, including such veterans in the field as the Goldsmids, the Coutts's, and the Barings. Having got into intimate relations with the government of the day, through being always ready for large advances, even at the darkest period of the great continental war, Nathan Rothschild commenced speculating in the funds, on a scale never before attempted, and with the most brilliant results. Nearly all these speculations depending on his obtaining the earliest news of events happening abroad, he organized an intelligence system, outstripping in rapid action not only that of the government, but even the perfected machinery of Lloyd's. By means of trusty agents, disseminated everywhere about the continent, who sent in their reports by specially trained carrier pigeons, he frequently procured news a day or two in advance, making him, for the time being, the absolute

master of the Stock Exchange. His crowning feat in this respect, achieved under great personal risk, was when he put himself in possession of the earliest tidings of the Battle of Waterloo, of which he had been an eye-witness, and from which he returned at great personal danger, crossing the channel in stormy weather, in an open boat. For upwards of twenty-four hours, only one man in England knew whether Napoleon or Wellington had been victorious at the great war-game played near the Flemish farm of La Belle Alliance, and in those twenty-four hours, it was said, a clear million sterling was added to the fortune of Nathan Rothschild.

Like most eminent speculators, Nathan Rothschild was very impulsive by nature, and many of his greatest enterprises, however much elaborated afterwards, were undertaken at the spur of the moment. It was so with his resolution to establish a great insurance company, upsetting, in the first instance, the monopoly of the two chartered corporations. His action in the matter was marked by his usual decisive vigour, and, according to a city tradition, sprang from a moment's conversation with one of his cousins by marriage, Mr. Benjamin Gompertz, a highly distinguished mathematician. Nathan, so the story runs, was leaning one day, early in the spring of 1824, against his favourite pillar in the Royal Exchange—the long-known "Rothschild pillar"—his hands in his trousers pockets, when his cousin ran up to him, in a state of high excitement. "Vat ish de matter?" queried Nathan. Thereupon the other recounted, in gasps, how he had been applying for the vacant actuaryship of a large insurance company, and had been beaten in the competition, though being admittedly the best candidate, on account of his religion, the directors saying they would have no Jew. Now Nathan, too, got excited. "Vat!" he cried, disengaging his hands from his pockets and laying hold of his brother-in-law by the shoulders; "not take you pecause of your religion! Mine Gott! Den I vil make a bigger office for you den any of dem." And Nathan Rothschild was as good as his word, founding not only a "bigger" com-

pany than any in existence, but appointing Mr. Gompertz actuary under the deed of settlement.

The sudden idea of Nathan Rothschild took form and substance in an amazingly short space of time. Gathering around him a few of his most trusted city friends,—among them John Irving, M.P., Alexander Baring, second son and successor of Sir Francis, Samuel Gurney, and Sir Moses Montefiore,—he formed with them a directorate, and at once launched under their and his auspices the "Alliance British and Foreign Fire and Life Assurance Company." As if to show thorough earnest in doing something "big," the capital of the new company was fixed at the round figure of five millions sterling, in 50,000 shares of £100. The faith in Nathan Rothschild's ability and good fortune to make all his undertakings successful was so great, that the shares of the Alliance were quoted at a premium even before issued, at the first announcement of the new company, and continued rising in price until they had come to be 50 per cent. above par. Immediately after the prospectus of the Alliance, as a fire and life insurance company, had been issued, the directors made application to parliament, asking for a repeal of the act of the 6th of George I., so as to enable them to add the business of marine insurance to the other two departments. A short bill for the repeal of the act was laid, on the 17th May, 1824, before the House of Commons by Mr. Thomas Fowell Buxton, M.P. for Weymouth, the successor of Wilberforce as leader of the anti-slavery party. Mr. Buxton had been chosen to take care of the bill as a personal friend of both Nathan Rothschild and Samuel Gurney, to the latter of whom he was nearly related by marriage, as well as being a member of the wealthy firm of brewers trading under the name of Truman, Hanbury, and Co., which, together with anti-slavery leadership, secured him a number of followers in the House of Commons. The choice once more justified the sagacity of Nathan Rothschild in that it proved a perfect success.

In the speech introducing his bill, Mr. Buxton launched

out into a philippic against Lloyd's, quite amusing in the gross distortion of its facts, but still creating a certain impression. The member for Weymouth told the house that nothing was more difficult than to get insurances effected at Lloyd's, except, "perhaps," to get the money for losses from the underwriters. "If a shipowner or merchant succeeds in getting his policy," Mr. Buxton explained, "it is perhaps underwritten by twenty-five or thirty persons; and if there is a loss he must come upon each and all of the insurers. Some of them perhaps are dead, and he has to employ an attorney, and proceed against their representatives. Some of them perhaps have become bankrupts, and he has again to employ an attorney, and proceed against their assignees. Some of them perhaps are litigious, and once more he has to employ an attorney for the purpose of carrying on an expensive lawsuit, and finally he receives, perhaps, only a small dividend upon his undoubted rights." Waxing eloquent over his "perhaps" arguments, Mr. Buxton wound them up by asserting that "the removal of such evils would be a matter of great national benefit." The member for Weymouth did not disguise that the repeal of the act of the 6th of George I. was desired, in the first instance, for the benefit of the Alliance Company; but he claimed for this company special advantages, to the public benefit, over all possible competitors. The mere names of the promoters of the new company would, he argued, lead not only to the extension of marine insurance, but bring insurances from abroad. "There are at present," he said, "some foreign insurances effected in this country, but not nearly so many as would be were the restrictions removed. The great mercantile houses in England are perfectly well known on the continent; but this is not the case with those persons by whom the insurance business is now carried on. Thus, while the foreign merchant does not like to trust to the responsibility of twenty or thirty individuals who are not known, it would be an inducement for him to bring his policy here if he were to be sure of the respectability of the

security offered." The member for Weymouth further on professed to have studied the report and evidence of the Select Committee of 1810 on Marine Insurance, but appeared to ignore all the same that, among the best-proved facts brought out by the investigations of the committee, was the unparalleled good faith and absolute security of the insurances effected at Lloyd's.

The bill for the repeal of the act of the 6th of George I. being strongly supported by the government of the Earl of Liverpool, and several prominent members declaring in its favour, its passing was a foregone conclusion. Notwithstanding an eloquent speech by Mr. Alderman Thompson, M.P. for the City of London, who came forth as champion of Lloyd's, the bill was read a first time on the 17th of May; and when greater opposition threatened for the second reading, fixed for eleven days later, the Chancellor of the Exchequer came out as the representative of the government. Keeping solely in view the question of the rights of the two chartered corporations to possess a prolonged continuation of their monopoly, he declared strongly against it, and in favour of more competition, announcing finally the intention of the government to support the bill. The Chancellor of the Exchequer was followed by Mr. Alderman Thompson, who made a characteristic speech. "So far from creating competition," he exclaimed, "the present bill, when passed, will only give rise to a new monopoly in the establishment of a huge, all-absorbing joint-stock undertaking. Everybody knows that it is impossible to have more and sharper competition in marine insurance than exists at present. There are more than a thousand underwriters at Lloyd's, and competition is as open to the insurer who goes to the Royal Exchange as Mark Lane is open to the corn merchants, and Mincing Lane to the sugar dealers." The worthy alderman concluded with a somewhat personal attack upon the introducer of the bill, containing a reflection upon a former active part he had taken in promoting a measure for the benefit of brewers, drawn up by the Chancellor of the Ex-

chequer. "If the hon. member for Weymouth," cried Alderman Thompson, "in place of enlisting the exertions of his majesty's ministers in support of his bill, had only endeavoured to lead them to reduce the duties upon marine policies, amounting to between 30 and 40 per cent., then, indeed, would he have effected a great public benefit, and given extended facilities to commerce, to industry, and to free trade." Quiet voting after this put an effective stop to further arguments, a majority of 18—namely 51 ayes against 33 noes—passing the second reading of the bill.

The further stages of the parliamentary battle were remarkable only for a curious episode in the upper house, which, while bringing forth new restrictive legislative enactments for companies, nearly strangled the Alliance Company in its birth. The House of Commons having passed, on the 15th of June, the third reading of Mr. Buxton's bill by 559 against 159 votes, it went to the Lords, where the second reading met with no opposition; but at the third reading, on the 21st of June, the Lord Chancellor quite unexpectedly produced four clauses to be added to the bill. By the first it was enacted "that it shall not be lawful for any society or partnership composed of more than six persons, from and after the passing of this act, to contract or agree for the insurance of any ship, or goods, or of any interest therein, until a memorial shall be enrolled on oath in the High Court of Chancery, containing the names and descriptions of the several members of such society or partnership;" and that, upon a transfer of any shares, "a memorial thereof shall be enrolled in like manner within three months after such transfer." The second clause ordered "that any member or members of such partnership or society whose name or names shall be expressed in any such enrolment as aforesaid, shall be, and shall continue liable in law and equity to all actions, suits, judgments, and executions for the performance of any contract, claim, or demand, made or arising while such persons were members of such partnership or society." In the third clause it was

provided that, to facilitate the "enforcing of just demands against such partnerships or societies as may be formed under the authority of this act," it should be open to the plaintiff, "in any action or suit in equity," to make defendants of any "two persons whose names are so enrolled as aforesaid, and such two persons shall be deemed and taken in all courts of justice to represent the whole of the members of such partnership or society." Finally, the fourth and last clause enacted "that, when any such partnership or society shall consist of more than six members, it shall be lawful for them to sue in law and equity by the secretary or any member thereof on behalf of the partnership."

In submitting his propositions to the upper house, the Lord Chancellor made no secret of his being strongly opposed to the establishment of Nathan Rothschild's great company. "If it is intended," his lordship exclaimed, in a sarcastic manner, "to establish a gigantic insurance company, the advice a clever lawyer has given to the interested parties will have been about this—'Get these chartered corporations demolished first, and then, during the recess of parliament, you may establish your company under what regulations you please; if you want to form an Atlas Company, give me this little bill, and I will move the whole world.' If therefore, during the recess, any combinations of persons should arise to defeat the objects I have in view, I hope to have the assistance of parliament to pass some measure; and if parliament does its duty, I shall be able, in spite of the whole of the monied men of the country, to do what is proper under the circumstances." The sharp attack of the Lord Chancellor upon the "monied men" called up the head of the government, who entreated his "learned friend on the woolsack" not to smother the bill before them by his clauses. "I do not think," the Earl of Liverpool urged, "that there will be time to discuss the clauses at this advanced period of the session; and I hope, therefore, my noble and learned friend will bring them forward in the shape of a separate measure next session." Thus appealed to, there was no option for the

Lord Chancellor but to relinquish his proposed measure, although it evidently found favour in the upper house, one of the leading members, Lord Redesdale, supporting him warmly, declaring that he was "convinced of the necessity of the clauses, and firmly believed that, if they were not attached to the bill, they never would be passed until the mischievous effects resulting from the want of such restrictions should be severely felt." The speech could have no effect, when once Lord Liverpool had thrown his weight into the scale; and the Lord Chancellor having withdrawn his clauses the bill passed without opposition. There was one more victory added to the list of successes of Nathan Rothschild.

Three days after its passing the upper house, on the 24th of June, 1824, the royal assent was given to Mr. Buxton's bill, styled "An act to repeal as much of an act of the sixth year of King George I. as restrains any other corporations than those in the act named, and any societies or partnerships, from effecting marine insurances and lending money on bottomry." The act commences by reciting the statute to be repealed, after which it continues: "And whereas it is expedient that so much of the said act as restrains corporations, or bodies politick, societies or partnerships, and persons acting in society or partnerships, from insuring ships and goods and merchandize at sea, and from lending money by way of bottomry, should be repealed: May it therefore please your majesty that it may be enacted, and may it be enacted by the king's most excellent majesty, by and with the advice and consent of the lords spiritual and temporal, and commons in this present parliament assembled, and by the authority of the same, that from and after the passing of this act, so much of the said recited act as restrains any corporation or body politick, society or partnership, or persons acting in society or partnerships, from granting, signing, and underwriting any policy or policies of assurance, or making any contract for assurance, of or upon any ship or ships, or goods, or

merchandize, at sea or going to sea, or from lending any money by way of bottomry, or as makes any such contract void, or declares that the same shall be adjudged usurious, or as imposes any forfeiture or penalty in respect of any policy of assurance, or contract, shall be and the same is hereby repealed." The act winds up with a saving clause as regards the existence of the two chartered corporations. "Provided always," the clause runs, "and be it enacted that nothing in this act contained shall extend, or be construed to extend, to affect the rights and privileges of the Corporations of the Royal Exchange Assurance and London Assurance, otherwise than by making it lawful for other corporations and bodies politick, and for persons acting in society or partnerships, to grant and make such policies of assurance and contracts of bottomry, as herein-before mentioned."

The prevailing impression of the private underwriters being that the establishment of Rothschild's great company would be the ruin of Lloyd's, they made an effort to prevent its foundation while the act of repeal was still being discussed in Parliament, though its final passing was no longer doubtful through the support of the government. In the original prospectus of the Alliance Company there was only, as there indeed only could be, mention made of fire and life insurance, the intention of the founders of the undertaking to add the business of marine insurance to the other two branches being confined to a private agreement between the original promoters, which stated their intention to "form an assurance company for the several purposes at that time allowable by law to assurance companies, and for such other purposes as by any alteration of the laws then in force should be allowable to assurance companies." To prevent the carrying out of the plan thus shadowed forth, Mr. Natusch, an underwriter at Lloyd's, took fifteen shares in the Alliance Company, and, as soon as the directors announced their intention to enter upon marine insurance, proceeded against them for breach of the original conditions of the contract entered into between them and the subscribers.

The trial of the case—known in law as Natusch *v.* Irving—came on before Lord Chancellor Eldon, who summed up very strongly in favour of the plaintiff. It was laid down by the learned judge that, "if six persons join in a partnership of life assurance, it is clear that neither the majority nor any select part of them, nor five out of six, can engage that partnership in marine insurance, unless the contract of partnership expressly or impliedly gives that power; for if it is otherwise an individual or individuals, by engaging in one specified concern, might be implicated in any other concern whatever, however different in its nature, against his consent." Lord Eldon gave it further as his opinion that "courts must struggle to prevent particular members of those bodies from engaging other members in projects in which they have not consented to be engaged, or the engaging in which they have not encouraged, assented to, or empowered or acquiesced in, expressly or tacitly, so as to make it not equitable that they should seek to restrain them. And the principles which a court would act upon in a partnership of six, must, as far as the nature of things will admit, be applied to a partnership of six hundred." In conformity with the ruling of the Lord Chancellor, the plaintiff obtained a verdict, under which the Alliance British and Foreign Fire and Life Assurance Company was forbidden to carry on also the business of marine insurance. For a day, it was believed Nathan Rothschild had been defeated; yet those who thought so did not know the man. He quietly submitted to the verdict against him, making no appeal in law against it, but going forward on his own road. Leaving the fire and life department of the Alliance Company simply where they stood, he put at their side, nominally independent of them, the Alliance Marine Insurance Company. So, as Nathan Rothschild placed them, the Siamese twins of the Alliance stand to this day in Bartholomew Lane, close to the Royal Exchange, at the foot of Lloyd's.

The nominal capital of the Alliance Marine Insurance Company was fixed by the founders at the same high figure

as that of the Alliance Fire and Life, namely at five millions sterling in 50,000 shares of £100. Notwithstanding this immense capital, the transactions of the company were for some years on a very limited scale, and it took considerable time before they even approached those of the Royal Exchange Assurance Corporation. It was soon found that capital alone, however unlimited, was insufficient to establish a business so complicated, and requiring so much individual knowledge, as that of marine insurance, and that personal influence of the widest kind could not accomplish it. The influence, besides, was not easily exerted. Nathan Rothschild, and the powerful friends who aided him in starting the new company, had their time far too much occupied in other and more profitable ways, to be able to give it to thoughts about the underwriting of policies; and the active management of the business soon lapsed, as in all companies, to the actuary, or the chief manager—in this case Mr. Benjamin Gompertz, the already mentioned cousin of Nathan Rothschild.

Mr. Gompertz, born in London in 1779, the son of a Dutch diamond merchant, was a self-taught mathematician of very high attainments, who had distinguished himself early in life by the publication of new logarithms. At the age of thirty, having married Miss Abigail Montefiore, sister of Sir Moses Montefiore, Mr. Gompertz entered his name as a member of the Stock Exchange, doing a large business, but without relinquishing his mathematical pursuits, which gradually turned to calculations connected with life insurance. After working out a new series of tables of mortality, the subject took such hold of his mind that he decided to quit the Stock Exchange, and to devote himself entirely to actuarial science. Appointed actuary of the Alliance Company, under its deed of settlement, he became, both in virtue of his position and through his high connections, its chief manager, doing his work to the satisfaction of the directors. Mr. Benjamin Gompertz, however, aimed to be nothing more than a man of science, his ambition being to

make the best actuarial investigations, and not to do the largest amount of business. Thus it came to pass that in 1840, when the Alliance Marine Insurance Company had been sixteen years in existence, paying at first five, and afterwards six per cent. per annum to the shareholders—dividends naturally unsatisfactory to magnates such as the Rothschilds and the Montefiores—the directors came to the conclusion that they did not require five millions sterling for carrying on their business, and they wisely reduced the capital to one million. It proved fully sufficient. Contrary to all the evil anticipations and fears of the underwriters, neither the Alliance Company, nor any other, ruined Lloyd's.

CHAPTER XVII.

PROGRESS OF MARINE INSURANCE COMPANIES.

THE energetic and almost violent resistance made by the private underwriters to the repeal of the act of 1720, based on the generally expressed fear that the unrestricted establishment of companies would lead to the ruin of Lloyd's, was found to have been needless before many years were gone. As often happens in similar cases, when old interests are threatened by new powers, which appear the more redoubtable from being undeveloped, looming forth, as it were, in mere shadowy outlines on the horizon, the members of Lloyd's as much underrated their own strength as they exaggerated that of their supposed adversaries. A very short time sufficed to show that the new companies formed after the repeal act of 1824 not only did not, and what was equally certain could not, ruin the importance of Lloyd's as the great centre of marine insurance, but that even they withdrew no appreciable amount of business from the "Coffee-house," their transactions lying mainly within spheres which they themselves created. To a great extent, the new companies which succeeded owed their success to being mutual insurance societies.

Owing to its capital of five millions, and to its directorate embracing some of the greatest bankers and merchants in the kingdom, if not in the world, the Alliance Marine Insurance Company, when once it fairly got under way, obtained a good amount of patronage from foreign as well as British sources, but mainly such as sprang from the connection of the house of Rothschild and the other eminent firms who joined in starting the undertaking. The Alliance gave no dividends to its shareholders till January, 1829, when, after four years' existence, they received twenty per cent., being at the rate of five per cent. per annum. The five per cent. dividend was continued each year till 1833, when it rose to six per cent., and continued at this amount, with the addition of occasional bonuses, for more than thirty years. The enormous capital of five millions, with which the Alliance started, was, as already stated, reduced to one million subsequently. This was effected in 1840, under a resolution of the directors, sanctioned by the proprietors, by which each five shares of the company were "consolidated" into one; the original 50,000 being thus reduced to 10,000 shares. It was a wise alteration, though nominal more than real, each £100 share thus transferred being five times the original value, the five pounds paid up thus coming to be twenty-five pounds. As the limited liability system did not originate till many years afterwards, the Alliance Marine Insurance Company remained, as first designed, a joint-stock association on the unlimited principle, every shareholder being responsible to the last shilling of his fortune for claims due. Of all the marine insurance companies in existence, there is none practically possessed of a capital even approaching that of the Alliance, based as it is on the colossal fortunes of the Montefiores and the Rothschilds.

The Alliance Marine Insurance Company paid, as just stated, no dividends at the commencement, and the shareholders did not receive the first, amounting to twenty per cent., till 1829, being at the rate of five per cent.

per annum. The following is a complete account, kindly furnished by the present secretary, Mr. Alexander I. Montefiore, of all the dividends paid during the existence of the company, comprising a period of half a century :—

Year.	Ordinary dividends.	Bonus.	Total dividends and bonus.
	Per cent.	Per cent.	Per cent.
1825			
1826			
1827	20	—	20
1828			
1829			
1830	5	—	5
1831	5	—	5
1832	5	—	5
1833	5	—	5
1834	6	—	6
1835	6	—	6
1836	6	—	6
1837	6	—	6
1838	6	4	10
1839	6	—	6
1840	6	—	6
1841	6	3	9
1842	6	—	6
1843	6	4	10
1844	6	—	6
1845	6	—	6
1846	6	—	6
1847	6	—	6
1848	6	—	6
1849	6	—	6
1850	6	6	12
1851	6	6	12
1852	6	—	6
1853	6	12	18
1854	6	—	6
1855	6	4	10
1856	6	4	10
1857	6	4	10
1858	6	4	10

Year.	Ordinary dividends.	Bonus.	Total dividends and bonus.
	Per cent.	Per cent.	Per cent.
1859	6	4	10
1860	6	16	22
1861	6	16	22
1862	6	16	22
1863	6	10	16
1864	6	5½	11½
1865	6	6	12
1866	6	6	12
1867	6	—	6
1868	6	—	6
1869	4	—	4
1870	4	—	4
1871	4	—	4
1872	5	—	5
1873	5	—	5
1874	4	—	4
1875	Nil.	—	Nil.

The story of the rising and falling fortunes of marine insurance and underwriting for the last fifty years is as succinctly as clearly written in this table of dividends of the Alliance Marine Insurance Company.

The Alliance had a successor, within a few months after its establishment, in the Indemnity Marine Assurance Company. The Indemnity was started by a society of shipowners, but it is not known who were the leading men, nor what were the early dividends paid by the company. Repeated applications to the present board and secretary to give these particulars met with a refusal. The Indemnity has a nominal capital of £1,345,300, in £100 shares, with £50 paid up, that is £5 13*s.* 6*d.* in the ordinary way, and the remaining portion out of profits. In recent years the Indemnity has paid large dividends to its shareholders, amounting in the five years from 1867 to 1871 to 21 per cent. per annum, and in the three succeeding years, from 1872 to 1874, to 19 per cent. per annum. The dividend declared in 1875 was 15 per cent. The financial success of the Indemnity is

generally ascribed to the eminent services of Mr. William Ellis, who became assistant underwriter of the company at its formation, advancing, in 1828, to the position of underwriter, which he filled ever since, for the unparalleled period of nearly half a century.

There was an interval of twelve years between the starting of the Indemnity and the establishment of the next new marine insurance company which managed to throw roots firm enough to secure its existence. The new comer was the Marine Insurance Company, founded in 1836, on a capital of one million sterling, in £100 shares, with £18 paid up on each share. The interval of twelve years standing between the establishment of the Indemnity and the Marine companies was marked by the launching of a first group of unsuccessful enterprises in joint-stock marine insurance, some of them collapsing within a few years, and others lingering out a somewhat more prolonged but not the less unprosperous existence. In 1826, two years after the foundation of the Alliance and the Indemnity, three marine insurance companies were brought out in the north of England—the Sunderland, the Tyne, and the Unanimous, of South Shields, the first two perishing in early youth, but the last prolonging life till 1861. There were no fresh ventures till 1830, when the General Maritime Insurance Company was started in London by some merchants and shipowners, and, succeeding to get a small amount of business within its own limited circle, kept afloat till 1848. The next comer in the field was the Liverpool Marine Insurance company, launched in 1831, and which, struggling in vain against disasters and want of capital, had to be wound up in 1850. Liverpool was again the birth-place of the next following venture, the Ocean Marine Insurance Company —Ocean No. 1, as it should be called, being followed by other Oceans, the last, started in London in 1859, enjoying still existence—which was brought out in 1834 by a number of respectable shipowners on the Mersey trading with America, but, in spite of its patronage, did not succeed in

maintaining life. It was in the wake of all these failures that the Marine Insurance Company, of London, sprang into existence in 1836. After struggling, like all new insurance companies, for some time with difficulties, the Marine became highly successful. During the culmination of its prosperity, in the years 1867 to 1869, the Marine Insurance Company paid dividends of £44 8*s.* 10*d.* per annum, and its shares, with £18 paid up, rose to upwards of £100. Together with other companies, the Marine had its part of the disasters of more recent years, its dividends sinking in 1874 to 11 per cent., and in 1875 to 5 per cent., with a proportionate fall in the price of its shares.

The foundation of the Marine Insurance Company finished the era of successful joint-stock undertakings, carrying on the business of marine insurance, which can properly be called firmly established, having been in existence for at least a quarter of a century. There was a long gap in time between the starting of the Marine, in 1836, and the next comer endowed with the breath of life. This was another undertaking entitled the Ocean, established in 1859, twenty-three years after the origin of the Marine. Within this lengthened period, a whole host of fresh marine insurance companies had come and gone. The year 1839 brought into existence no less than seven new ventures, respectively called the Aberdeen, the Forth, the General Marine, the Glasgow, the Liverpool Marine, the London Maritime Assurance Corporation, and the Neptune. Of the septenary, the London Maritime Assurance Corporation lived longest, not becoming extinct till 1860, when it passed into liquidation, while the rest ceased to exist at various periods from 1843 to 1850, some of them wound up voluntarily, some under compulsion, and one, the Liverpool Marine, going into Chancery. The year after the birth of the seven saw the starting of two more new companies, the Scottish Marine Insurance Company, founded at Edinburgh in 1840, and which was wound up at the end of four years, and the Maritime and Mercantile Insurance

Company, brought out at Newcastle in the same year, which did not perish till 1856. All these companies, launched previous to the passing of the Joint Stock Companies' Registration Act of 1844—7 & 8 Victoriæ, cap. 110—had, if too little, yet at least some more or less appreciable share of vitality in them, which enabled them to keep up an honourable existence for a more or less limited time. With the act of 1844, there was laid the foundation of a new class of joint-stock undertakings for carrying on marine insurance, much below in character to previous ventures, and some of them deserving no other designation than that of swindles.

The immediate result of the act 7 & 8 Victoriæ, cap. 110, was the springing up of a whole host of marine insurance companies. Some of these started under the clause of provisional registration, out of which they did not pass, while others actually embarked in business for a longer or shorter period of time. The prospectuses of thirteen new companies were issued to the public in the sole year 1845, their names, in alphabetical order, running as follows :—the Edinburgh and Leith, the Globe Freight, the Hartlepool Phœnix, the Impartial Cargo, the Ipswich Maritime, the Kent, the London Port and Thames, the Marine Premium, the Merchant Traders', the Monkwearmouth, the Newcastle Commercial, the Neptune and Britannia, and the Wear Insurance. But one out of these thirteen companies, the Merchant Traders', reached the age of three years, passing into liquidation towards the end of 1848, while all the others died a premature death. The years 1846 and 1847 brought a fresh crop of marine insurance ventures, some of them frauds, in conception as well as execution. Among these was an office styled the General Commission Marine Insurance Company, started in 1847, which after carrying on business—that is taking premiums—for nearly three years, then suddenly collapsed, a professed swindle. Another of the same kind was the so-called Port of London Marine Insurance Company, also launched in 1847, and

"amalgamated" two years after with the Sea, Fire and Life Insurance Company, which closed its doors in 1858, having made a goodly number of victims. The same year saw a third swindle in the London Marine Brokers' Company, the "directors" of which condescended to take premiums for twelve months, at the end of which they quietly shut their doors. The effect of these and similar fraudulent schemes was that no new marine insurance company, possessed of the needful vitality, could be established for twenty-three years.

After a lull in speculation, produced by its very excesses, which lasted for about ten years, from 1848 to 1858, a new era of enterprising activity, directed to the starting of companies, began in 1859. In this year, there were six new marine insurance companies either actually launched or registered, namely, the Ocean, the Anglo-French, the London Exchange, the London and Liverpool, the Ocean Marine of London, and the Thames Navigation. Only the first-named of the six ventures, the Ocean, succeeded in getting established, and surviving to the present day. The Ocean was started on the usual capital of marine insurance companies, namely, one million sterling; divided in £25 shares, with £5 paid up. The company commenced business on the 19th December, 1859, and in the first year of its operations, down to the 31st December, 1860, took £136,970 in premiums, and paid £60,000 in claims and £9,793 in working expenses. In the second year of its existence, to 31st December, 1861, the premium income of the Ocean was £170,000, while the claims amounted to £110,185 and the working expenses to £10,231; and in the third year the premiums brought £240,000, while the claims rose to £168,594 and the working expenses to £10,348. During the whole of its first quinquennial period of existence, from December, 1859, to the end of December, 1866, the net receipts from premiums were £1,289,258, while the sum paid for claims in the same time was £874,277 and the expenditure for management £89,000. Expressed in percentage, the claims paid by the Ocean amounted to 67·81

per cent. of the premium income, and the working expenses to 6·9 per cent. Up to 1863, the shareholders of the Ocean Marine Insurance Company drew annually a total dividend of £10,000, being five shillings on each £5 paid-up share. In the year 1864, the annual dividend rose to 15*s.* per share; and from 1865 to 1868 it rose to £1 10*s.* per share; and from 1869 to 1871 to £2 per share, being at the rate of 40 per cent. per annum. Since 1871, the annual dividends of the shareholders of the Ocean have been gradually declining, going down in 1872 to £1; in 1873 to 10*s.*; and in 1874 to 5*s.* per share—thus faithfully reflecting the lessened profits of marine insurance.

The year following that of the establishment of the Ocean saw the starting of three new marine companies on the limited liability principle, which survived to the present time. They were, in alphabetical order of names, the London and Provincial, the Thames and Mersey, and the Universal Marine Insurance Companies. The London and Provincial (Limited) was founded on a nominal capital of one million sterling, in £20 shares, with £2 paid on each share; the Thames and Mersey (Limited), on a capital of two millions, in £20 shares, also with £2 paid up per share; and the Universal Marine Insurance Company (Limited), on a capital of one million sterling, in £20 shares, with £5 paid up per share. Thus the total paid-up capital in the London and Provincial was £100,000; of the Thames and Mersey, £200,000; and of the Universal £250,000. Judging by the amount of dividends paid to their shareholders in recent years, the whole of these companies appear to have succeeded in establishing profitable business connections, although at the outset each had a hard struggle for existence.

The Universal Marine Insurance Company (Limited), from its establishment, in January, 1860, to the 31st December, 1866, received in premiums £2,171,136, and settled claims of a total of £2,161,320, the expenses of management during the same period amounting to £110,074. Thus, for every hundred pounds' premium income, the

company expended about £106, of which 99½ per cent. was in payment of claims and 5½ per cent. in cost of management. During the two years 1860-61 there was an ascertained loss on the closed underwriting accounts, which was calculated at first at £249,283, but subsequently reduced to £169,005, while during the three years 1862-64 there were profits amounting to £35,517. In 1861 the shareholders received a dividend of two per cent., but no further dividends were declared during the next quinquennial period. Subsequently, as the fortunes of the company improved, the proprietors of the Universal Marine Insurance Company had the satisfaction of being paid very substantial dividends. In 1867, the dividend amounted to 4 per cent. per annum, and rose to 7½ per cent. in 1868, to 10 per cent. in 1869; to 12½ per cent. in 1870; and to 15 per cent. in each of the three years 1871 to 1873. In 1874 the dividend paid was 10 per cent.; and in 1875 again 10 per cent. The average annual premium income of the company from 1860 to 1875 amounted to not quite £300,000. The directors of the Universal Marine Insurance Company (Limited) thought it prudent, in recent years, considerably to restrict the circle of their business operations, and the average annual premium income fell considerably below the amount of that of the first year of the company's existence.

The contemporary of the Universal, the London and Provincial Marine Insurance Company (Limited), commenced business in May, 1860, and, during the quinquennial period ending December 31, 1866, received in premiums £763,417, and settled claims amounting to £598,677, with expenses of management of £90,872. Expressed in percentages, the claims took 78·42 per cent., and the managing expenditure 11·90 per cent. of the premium income of the period. There was scarcely any variation in the proportion of claims and expenses of management to revenue during subsequent years. In dividends the shareholders of the London and Provincial

received 1 per cent. in the year 1862; 4 per cent. per annum in the following years till 1866; 10 per cent. per annum in each of the years till 1870; 20 per cent. per annum in each of the years 1871 and 1872; 15 per cent. per annum in 1873 and 1874; and 10 per cent. in 1875. The business transactions of the London and Provincial Marine Insurance Company (Limited) have never risen to any large amount. The largest premium income of any year (£167,174) was obtained in 1868, and considerably above the average of the fifteen years' existence of the undertaking, namely, £135,000.

The third establishment of 1860, the Thames and Mersey Marine Insurance Company (Limited), which began business in the month of June of that year, was fairly successful from the commencement, being started by an influential body of merchants and shipowners in London and Liverpool. During the first quinquennial period of its existence, to the 31st December, 1866, the company received in premiums £2,799,142, and paid in claims, £2,155,367, while the expenses of management amounted to £209,332. The percentage of claims to premium income during the period was 77 per cent., and expenses to premium income 7½ per cent. During the decennial period ending with 1869, the relative proportions of claims and of management expenses to premium income were 79 and 7¼ per cent. At the commencement of its career, the business transactions of the Thames and Mersey were not so large as those of its contemporary, the Universal Marine Insurance Company, but they gradually surpassed them greatly. In 1866, the annual premium income of the company rose to £539,531, and in 1867 to £559,629, and subsequently remained not far under half a million sterling. The average annual receipts from premiums during the fifteen years' existence of the company was £470,000. In dividends to shareholders, the Thames and Mersey paid 10 per cent. per annum in each of the three years from 1862 to 1864; 20 per cent. per annum in 1865 and 1866;

15 per cent., per annum in each of the three years 1867 to 1869; again 20 per cent. in 1870; 25 per cent. per annum in 1871 and 1872; and 15 per cent. in each of the years 1873 to 1875. The financial position, as well as annual amount of transactions, proves the Thames and Mersey the most successful among the class of young marine insurance companies.

No new undertakings possessing vitality grew up in the years 1861 and 1862, but there came within the biennial period another list of failures. Among the projects that never ripened were the British Marine, the London, Dublin and Glasgow, the National, the Royal, and the United Kingdom Marine Insurance Companies. All these remained either mere schemes, not proceeding far beyond registration, or had a life not extending beyond a year ago. A somewhat longer existence was enjoyed by four other undertakings launched during the same period, namely, the Albion, the English and Scottish, the London, and the Oriental Marine Insurance Companies. Of these four ventures, the first-named was the most promising at the outset. The Albion Marine Insurance Company (Limited) was founded in Liverpool, under very distinguished patronage, in the latter part of 1862. The authorized capital of the company was the usual million, divided into 50,000 shares, of £20 each, with £2 paid up, the whole of which found ready subscribers. During the first two years an apparently successful business was carried on by the directors of the Albion, but after that, all on a sudden, the tide of prosperity turned, and on the 27th November, 1866, a meeting of shareholders had to be called together to discuss the position of affairs. The accounts submitted to the meeting showed that the paid-up capital of £100,000 was gone, the sum of £30,000 representing losses by a single cyclone at Calcutta. Under these circumstances, the directors recommended a voluntary winding-up of the company, which resolution was adopted by the shareholders, on the understanding that all claims should be

honourably paid. Those of the other three companies mentioned left much on record behind them. The English and Scottish Marine Insurance Company (Limited), which was started, like the Liverpool Albion, in 1862, went into liquidation in 1868. The London Marine Association, launched in 1861, but not beginning business till 1862, was unsuccessful from the commencement, and had to be wound up in 1865. Finally, the Oriental Marine Insurance Company (Limited), launched in 1861 by a small number of East India merchants, perished at the end of three years, becoming, with the entire loss of its paid-up capital, a complete wreck.

Like 1860, the year 1863 again saw the foundation of three new marine insurance companies that are still in existence. They were the British and Foreign, the Commercial Union, and the Union Insurance Companies. The British and Foreign Marine Insurance Company (Limited), set on foot under the auspices of a body of Liverpool merchants, was established on an authorized capital of one million sterling, in £20 shares, with £4 per share paid up. An acknowledged skilful management earned an early success for this undertaking. The company began business in February, 1863, and from that date to the end of December, 1866, received in premiums £1,160,074, and paid claims amounting to £978,659, the expenses of management during the period coming to £74,391. In percentages, the claims amounted to 84·36 per cent., and the managing expenditure to 6·41 per cent. of the premium income. More favourable still was the result of the operations of the first decennial period, during which the company paid only 78 per cent. of the premium income away for claims, and but 6 per cent. for expenses of management. The dividends paid to the shareholders of the British and Foreign Marine Insurance Company (Limited) amounted to 10 per cent. per annum in each of the years from 1864 to 1867; to 20 per cent. per annum in 1868 and 1869; to 17½ per cent. in 1870; to 20 per cent. per annum again in

1871 and 1872; and to 15 per cent. per annum in each of the years from 1873 to 1875. During the twelve years of its existence, the average annual income from premiums of the company was under £300,000, it reaching its highest point in 1868, when it amounted to £348,479. Subsequently to this year, the directors of the British and Foreign, as of other companies, reduced the circle of their operations, looking to quality more than quantity of business for the continuance of good dividends.

The second marine insurance undertaking of 1863, the Commercial Union Assurance Company, was started originally, two years before this date, as a fire insurance company. It arose out of the circumstances which followed the great fire in Tooley Street, London, June 22, 1861, the losses of which induced the old offices to raise their premiums. The scheme of the Commercial Union meeting with general approval, life insurance was added to fire in 1862, and, in January of the following year, marine insurance. The company was founded on the large capital of two and a half millions sterling, in £50 shares, with £5 per share paid up, being a paid-up capital of a quarter of a million. In the first year of its existence the marine business of the Commercial Union was not very large. During the septennial period from January, 1863, to the end of December, 1869, the income from marine premiums was £1,268,189, while the payments for claims amounted to £920,177 and the expenses of management to £83,059. Expressed in percentages, the claims represented 72·56 per cent. and the managing expenditure 6·55 per cent. of the premium income. The shareholders of the Commercial Union received dividends of 7½ per cent. per annum in 1867 and 1868, and of 12½ per annum in the years from 1869 to 1875, which dividends, however, as they express the calculated results of all the three insurance departments of the company, do not indicate specially the profits of the marine branch. The amount of transactions of the latter have been constantly on the rise from the commencement. In the three years

from 1863 to 1864 the premium income of the marine department averaged not more than £100,000 per annum; in the following five years, till 1869, it averaged £200,000; and from 1870 to 1875, it came up to £300,000. Still the income from the fire surpasses that of the marine branch of the Commercial Union, and the undertaking is generally considered, in conformity with its origin, more a fire than a marine insurance company.

Like its contemporary, the British and Foreign, the third company, dating from 1863, the Union Marine Insurance Company (Limited), was started by Liverpool merchants and shipowners. While the nominal capital of the Union Marine was the ordinary one million, in £20 shares, the paid-up amount was somewhat greater than usual, and at present amounts, with profit additions, to £203,200. Owing to good connections, the Union acquired a rather large business at the outset. The premium income of the first eleven months, from February till December, 1863, amounted to £300,248, but it gradually sank afterwards, falling to £226,000 in the year 1866; to £176,285 in 1868; and to £129,428 in the year 1869. Subsequently to this date, the revenue of the Union underwent an upward movement. A working connection formed in 1867, between the Union and the Ocean Marine Insurance Company has led to favourable results for both undertakings. In consequence of this connection, which consists, in the main, of the Ocean acting as London agent of the Union, and the Union as Liverpool agent of the Ocean, a certain amount of profits is set down every year in the books of either company to the credit side of the other. It is the system borrowed from the United States, where it is largely practised, having arisen, probably, through want of an institution as that of Lloyd's.

The early success of the three companies of 1863, as well as of the other three of 1860, was generally understood to be owing, to a large extent, to the outbreak of the American civil war, which had the effect of transferring the greater

part of the marine insurance of the United States to England. The knowledge of this fact gave rise to a mass of speculation, and all through the years 1861 to 1865, while the war kept raging, there was a continuance of schemes for floating marine insurance companies. In the year 1864 no less than seven new offices commenced business. They were, the Albert, the Home and Colonial, the London and Caledonian, the London and Liverpool, the Maritime, the National, and the National Provincial Marine Insurance Companies. Of the seven, only two—the Home and Colonial, and the Maritime—survived to this day, the other five prolonging their existence no further than from three to five years. The Albert Insurance Company was among the most signal of these failures. It was started by the managing director of the Albert Life Insurance Company, who induced a number of his co-directors to join him, predicting grand results if marine combined with fire insurance were carried on by them, in quiet and unostentatious alliance with the flourishing original undertaking. There was so much faith in the Albert Fire and Marine Insurance Company, that the sum of £500,000, being the first issue of its authorized capital of one million sterling, found ready subscribers, and the Albert commenced business, in the summer of 1864, on rather a grand scale. Besides the head office in London, the directors opened a number of branches at Manchester, Leeds, Bristol, and Dublin, with others in India and Japan, and so great was their activity that the first year's premium income was stated to be upwards of £161,000. However, although the first annual report declared the Albert Fire and Marine Insurance Company to be "highly prosperous," it was followed by no second annual report, the office having been closed in the meanwhile. The marine business of the Albert collapsed altogether, and its fire insurance connection, what there was of it, was transferred to another undertaking. The other four unsuccessful companies of 1864 did not prolong their existence much beyond the Albert, the longest-lived, the London and Caledonian

Marine Insurance Company, closing its doors before the end of the year 1868.

Of the two still existing companies of 1864, the Maritime and the Home and Colonial, the first has been hitherto the most prosperous. The Maritime Insurance Company (Limited) commenced in March, 1864, on a nominal capital of one million sterling, in £10 shares, with £2 paid up on each share of the issued capital, not quite one-half of the whole. In the first quinquennial period of its existence, down to the end of the year 1869, the Maritime received in premiums £1,212,684, and settled claims amounting to £1,009,238, while its expenses of management came to £68,492. In percentage, the paid claims represented 83·23 per cent., and the managing expenses 5·64 per cent. of the premium income. The dividends paid to the shareholders amounted to five per cent. per annum in each of the three years from 1865 to 1867; to 10 per cent. per annum in each of the three years from 1868 to 1870; to 15 per cent. in the year 1871; to 20 per cent. in 1872; to 15 per cent. again in 1873; to 12½ per cent. in 1874; and to 10 per cent. in 1875. In the first year of its existence, the premium income of the Maritime was £115,985, and, rising every year, it grew to £264,731 in 1868, after which it fell to an average of about £245,000 per annum. Though under a dozen years old, the Maritime Insurance Company (Limited) appears to have settled down among the number of established joint-stock undertakings in marine insurance.

The contemporary of the Maritime, the Home and Colonial Marine Insurance Company (Limited), has not been so prosperous as the former, measured by the annual extent of its transactions. The Home and Colonial was founded on the usual capital of marine insurance companies, namely, one million sterling, and on each of the £50 shares £5 was paid, thus making the paid-up capital £100,000. The company began business in June, 1864, and during the first five years of its existence, to December

31, 1869, received in premiums £933,441, and settled claims of a total of £825,481, while spending upon management £69,798. The proportion of claims to premium income amounted to 88·43 per cent., and of expenses of management to the same, 7·48 per cent. During the years 1864 to 1866, the Home and Colonial carried on with its marine transactions a small fire and life insurance business, but the latter departments were discontinued as non-remunerative before the end of two years. From 1865 to 1867 the shareholders received four per cent. dividends per annum, but nothing in 1868. In 1869 the annual dividend was five per cent., and from 1870 to 1875 it was regularly five per cent. per annum. The extent of business transactions of the Home and Colonial Marine Insurance Company (Limited), which was never large, has been in recent years rather declining than increasing. In the seven months of the first year, 1864, the premium income was £146,983; in the next year, 1865, it rose to £192,172, and in 1866 to £192,204. After this, the premium income gradually sank to little above £120,000 per annum. This early rise, succeeded by a gradual fall, has been the characteristic feature of not a few of the more modern of marine insurance companies.

Upwards of a score of new companies, anxious to engage in underwriting, commenced business subsequent to the year 1864, and, while about two-thirds of them perished, it can scarcely be said that the remaining third, none of them more than five years old, and as such new comers in a most hazardous field of business, are in any way firmly established. All the companies established in the five years from 1865 to 1869 successively went into liquidation, the last the Liverpool Marine Insurance Company (Limited) in 1871, while, of the still existing undertakings founded subsequently to 1864, none date further back than the year 1870. The most notable of these are, in chronological order, the Globe, the Thetis, the Merchants', the Imperial, and the Standard. The Globe Marine Insurance Company (Limited) began business in June, 1870, on a nominal capital

of half a million, and a paid-up capital of £100,000, and has since its establishment paid dividends of five per cent. per annum. In the same year and month as the Globe, the Thetis Marine Insurance Company (Limited) was started, on a nominal capital of £200,000, with £100,000 paid-up. The Thetis also has given five per cent. dividends to its shareholders. Exactly a year after the Globe and the Thetis, in June, 1871, another new office was started in the Merchants' Marine Insurance Company (Limited), which began business on a nominal capital of half a million, with £100,000 paid up, and likewise returned since its establishment five per cent. dividends per annum to its proprietors. To these three companies, having their headquarters in London, were added two Liverpool ventures, simultaneously launched in February, 1872, the Imperial Marine Insurance Company (Limited), and the Standard Marine Insurance Company. The Imperial was started on a paid-up capital of £90,000, and the Standard of £100,000, and each of them paid from the beginning to its shareholders the customary five per cent. per annum of young companies.

In a very instructive little pamphlet, called "The Underwriting of 1872," by Mr. John T. Danson, of Liverpool, one of the founders of the Thames and Mersey Marine Insurance Company, the following summary, widely appreciated as truthful, is given of the position and prospects of the more modern joint-stock undertakings in marine insurance. "In 1859," says Mr. Danson, "began an era of speculation in marine insurance which is not yet closed; and which it were well if those who are still liable to lose their capital would look a little closer into the history of. Many now are the sufferers. But few care to parade such experience; and fewer still—though keenly alive to effects, could say anything profitable of the cause of their losses." The writer then enumerates the marine insurance companies that perished between the years 1859 and 1865, giving it as his opinion that, so far from being untoward, the failures

would have been, "under ordinary circumstances," even more numerous. "The companies now surviving," he continues, "were indebted for much of their early growth to special circumstances not very likely to recur. The American civil war broke out in April, 1861; it soon had the effect of transferring to this country the greater part of the marine insurance in the foreign trade, previously done in the United States. The war ended in 1865; but the old confidence in American underwriters was not immediately restored. It was not till 1868 that the business which had been driven by the war from its ordinary channels began, in any great measure, to return to them. Thus, the surviving companies had the advantage, for some years, of an enhanced demand for marine insurance in this country."

Mr. Danson concludes with some truthful remarks, fully justified by the, on the whole, disastrous results of joint-stock enterprise in underwriting, about the constant desire of shipowners and merchants to aid in the establishment of new marine insurance companies, with the view of lowering premiums through competition. "Competition," says the widely experienced writer, "to be effectual, must be constant, not fitful, and limited by a reasonable regard to the actual condition of the business, not inspired by the wild avidity of the mere bandit. Less than ten per cent. profit will hardly justify the risking of capital in such a business as underwriting. But if, in defence of an established business, less must be taken, for a time, it will be so. Company A may reduce its profits and its dividends to one-half of the previous rate, say to ten per cent. This putting them all on the same level will bring down company B to a dividend of one per cent., and company C to an annual and serious loss of capital. Such competition cannot last. What the insurer should aim at, as being the most conducive to his interest, is that such competition shall be maintained as will keep down premiums to, but not reduce them below, the point at which they yield a

fair average rate of profit. To go lower is to ensure a reaction, sooner or later, and to disturb the basis of confidence on which all sound insurance rests. And the competition of a dozen companies, with the aid of the underwriters of Lloyd's, is quite sufficient, as experience has proved, to keep it from rising higher on an average of years."

CHAPTER XVIII.

LLOYD'S REGISTRY OF SHIPPING.

THE necessity of keeping some record of shipping, so as to be able to discover, in a reasonable time, and without much personal trouble and inconvenience, the age, condition, state of repair, and general condition of vessels which their owners wished to have insured, must have been felt at a very early period by the underwriters. It appears, from various indications, that the earliest frequenters of Lloyd's Coffee-house in Lombard Street kept, for their own guidance, tabular accounts of such ships as were likely to be offered them for "a line," and these lists, likely enough, passed from hand to hand, the mutual interchange of information being obviously to the interest of all. The earliest of these tables were, like the "news-letters" furnishing commercial and shipping intelligence, which preceded "Lloyd's List," not printed. In the numbers of "Lloyd's News," from September, 1696, to February, 1697, commented upon already at some length, there is frequent mention of "Ships' Lists," and from the notices here, and in contemporary pamphlets, there is little doubt that they were written documents, not very dissimilar to the "news-letters," and differing from the latter only in furnishing, not general intelligence, but practical information

for persons connected with shipping, more particularly merchants and underwriters. The first attempt to put these "Ships' Lists" in type was in all probability contemporaneous with the establishment of the organ of Lloyd's, still in existence, having reached the goodly age of one hundred and fifty years.

It was hitherto believed, and is usually asserted, that the oldest printed register of ships was established in 1760, but careful investigation proves this to be erroneous, showing that the date must be thrown at least thirty years further back. The most complete collection of these interesting publications—the bulk of which seems to have been destroyed, together with many other valuable books and papers relating to marine insurance, in the great fire which, in 1838, laid the Royal Exchange in ashes—is in the library of the Society of "Lloyd's Register of British and Foreign Shipping," White Lion Court, Cornhill. Among the old tomes here preserved, there is one furnishing clear proofs to the initiated eye of having sprung from a predecessor born about the same time, or at least not many years later, than the first number of "Lloyd's List." The volume in question is—quite different in shape from all succeeding registers, down to the present time—of an oblong form, the printed portion of the pages seven inches broad and four inches high. There is no title-page, but the nature of the information given is partly exhibited in the headings of columns on many pages, there being twelve divisions, the last two, inscribed "64" and "65," denoting the years for which it was published, namely, 1764 and 1765. There is a thirteenth column, headed "66," but this is left blank, probably for notes. The following is a reprint of a page of this curious, and, as far as is known, unique old register of shipping, which will show its contents more clearly than can be done by mere description:—

31 Former	Preſent	Maſter	Port	To Port	Tons	Guns	M	Built & Year	Owners	64	65	66
G	Gale —	S. Farriſh	Lond.	Dublin —	200 s		15	Whitehav. 58	Wm. Gale	A M		
	Galloway	Southcliffe	Liverp.	Angola —	340 s		25	Plantation 58	Shaw & Co.	E M		
Kent Frigt.	Galway Frigt	John Smith	Lond.	St. Kitts —	250		16	River 52	Baniſter & Co.		E M	
	Gambia —	Tho. Clifton	Liverp.	Wd Ct & Am.	120 s		18	Plantation 61	Barber & Co.	E M		
	Gedult —	J. Ludther	Lond.	Sound —	140 s	S d	10	Koning. 62	Jno. Ludther			
	G. Blakeney	John Amery	Liverp.	Jamaica —	140 s		20	Britiſh 53	J. & J. Brooks	E M		
	G. Blakeney	John Weſt	———	Virginia —	150 s		16	Fren. 47r. 53	J. & J. Brooks		E M	
Dear Beſſy	Gen. Conway	B. Beal	———	Cork & Barb.	90 s	S d S L	8	Plantation 50	Hamilton & C.	E M	I M	
	Gen. Milvil	John Hall	Lond.	Grenadoes —	290 s	4 4	18	—— 58	Laſcells & Co.			
	G. Moncton	J. Eaton	Liverp.	Cork & Am.	120 s	B	20	Britiſh 53	Williamſon			
Betſey	Gen. Murray	Wm. Thain	Lond.	Quebec —	180		12	Plantation 63	Thain & Co.	A M	A M	
	Gen. Wolfe	N. Hunter	Liverp.	Dantzick —	140		10	—— 63	Londonderry	A G		
	Gen. Wolfe	D. Kinlock	Lond.	Liſbon W	200 s	length d	12	—— 58	W Robertſon	E M	E M	out
	Gen. Wolfe	R. Smith	———	———	120 s		10	—— 50	R. Smith	I M		
Emr Ruſſia	Gens Friend	H. Simpſon	———	Peterſburgh	250		12	Scarb. 52	H. Simpſon			
Brilliant	Gens Planter	John Calfe	———	St. Kitts —	280	2	18	River 51	Deacon & Co.	E M	E M	
	Gens Trader	M. Toovey	———	Weſt Indies	305		20	—— 64	Toovey & Co.	A G		
	Genoa Galley	T. Mangles	———	Naples —	200 s	16	32	—— 51	T. Mangles		E M	
	Gentenland	Jn. Wilſon	Whitn.	Rotterdam	186		16	Virginia 62	S. Martin	A G		
	George	W. Martin	Lond.	Streights —	200	W	14	French 45	W. Robertſon	O M		
	George	James Hays	———	Africa —	50 s	S d B	10	Ipſwich 53	Hayes & Co			
Francis	George	M'Minn	———	Yar. & Streig.	300 s	16 2	18	Boſton 58	Geo. Burton	E M		
	George	Joſ. Matthew	Liverp.	Jamaica —	110 s		12	Plantation 59	J. Walker	E M		
	George	G. Barnes	———	Buſh —	30		3	Britiſh 49		I M		
	George	Rob. Dunell	Pool	Newfoundld	80	B	7	Pool 52	G. Durrell	E M	E M	

It will be seen, on examining the preceding page, that when the book containing it was published, in 1764-65, the registry of shipping had already arrived at great perfection, the twelve columns giving information of all the most material points relating to the condition of each vessel inscribed in the list. In the opinion of an expert in these matters, Mr. William John, one of the surveyors of Lloyd's Register of British and Foreign Shipping, it must have taken many years to bring the list to such a state of completeness, and it may, therefore, not be far wrong to assume that the establishment of this work, presumably the oldest register of shipping, took place about, or not far later than, the year 1726, which saw the foundation of "Lloyd's List."

It is difficult to explain the meaning of all the signs in the twelve columns of the preceding table. The first six columns, giving the former and present names of the vessels, those of the master, the sailings from port to port, and the tonnage, are sufficiently apparent; and so are also the meaning of columns eight, nine, and ten, stating the number of the crew, the year of construction, and the name of the owners of each ship. As regards the letters, their signification is obscure; but it is probable that A, E, I, and O, applied to the state of the hull, and G and M, with, now and then, a B, not shown in this page, to equipment; G standing for good, M for middling, and the rare B for bad. There are, it will be seen, various other letters and figures in different columns, but it is impossible even to guess their meaning. Those best acquainted with the subject venture a surmise that these were secret signs, only known to the initiated, and varying in successive publications, by which the underwriters were able to discover, aside of all other circumstances, the actual condition of each vessel. Needless to say that, then as now, the men at Lloyd's had deeper interest than all the world in the great question of seaworthiness.

In the collection of old registers in White Lion Court,

the next in date to the oblong volume of 1764-65, is for the years 1768-69. This latter volume differs entirely, both in outward shape and contents, from the former one. Its information is much more scant, and is not nearly so lucid and well arranged, the total being compressed in nine columns, with no headings to any of them, except the year. The following is a reprint of one of the pages of the register for 1768-69 :—

V

1768 69

2	Velaſco	Sp		Fr. Milhuiſh	50 SD	Tinmth	66	Coade o' Exet	a1 67		Lo. Portugal		
3	Valentine	S	s	Ch. Purvis	499 3 D	River	67	Cp. Raymnd	a1 67	a2 12	Lon. India 3d Voyage		
4	Do.	S		Val Shephrd	300 SDB	Sundrld	63	Capt.	a1	a1 10	Peterſb. Lo.		
5	Do.	Bg		John Dixon	100	Amer.	67	Smith & Co.		a1 3	Lo. Watrfrd		
6	Valiant	S		W. Herbert	340 SDB	Whitby	63	N. Campion	a1	a1 9	Memell Lo.		
7	Vanſittart	S	s	Lavin	499 3 Ds	River	63	Cap. Durant	a1 67	a2 12	Lo. Cſt & Bay 3d Voyage		
8	Venice Jane & Betty	Sw	s	H. Paſmore	120	French a Deck &c.	55 66	Mr. Guinand	a2		Lo. Quebec		
9	Do. Packet	Sw	s & d	Wm Joliffe	100	Amer. N D & U W	56 66	Herman & Co	a2	b2 8	Lon. Venice		
10	Venture	Bg	s	Robt Storey	220 SDB	Whtehn	50	Capt.	b2		Hambro Lo.		
1	Do.	Bg		Robt Pierce	120	Weymo	65	Pearce o' Weymouth	a1 67		Lon. Dub.		
2	Venus	Bg	s 66	John Cattell	160	Plan tat. new Keel	60 66	Capt.	b2 67		Hull Cadiz		
3	Do.	S		Ste. Boyman	450	Onega	66	Mr. Gomm	a1 66		Lo. Dunk'k		
4	Do.	S	s	Rick[n] Fowlr	350 SDB	Scarbro	54	Mr. Coulſon	a2	a2 9	Quebec Lo.		
5	Do.	Bg		Jms Mullay	84 SDB	Liverpl Dub. rep.	59 61	Richd Bennis	a1	b1 9	Dub. Bourd.	a1	1
6	Do.	Bg		Ed Swainſon	160 SDB	Liverpl	67	Jn Okel & Co.	a1		Livpl Dub.		
7	Do.	Sp		Engd. Lloyd	60			Cheſter			Du. Cheſter		
8	Do. Ann & Dorothy	Sw	s	Peter Kelly	120	French	55	Ward & Co.	a		Lond. Hond.		
9	Do.	Sw		Jn Standing	100	Amer.	59	Th. Guillam	a2		Guernſy Lo.		
20	Do.	Sp		Al. Marſhall	70 SD	Scotlnd	66	J. & J. Ready	a1		Amſt. Lon.		
1	Do. Indian King	Sw	s	Tho. Lewis	120	Amer. N. U. W.	56 68	T. Jones & Co	a2	a2 12	Briſt. Africa	b2	1

In the opinion of the expert before cited, the book represented by this page was the offspring of the publication known as established in 1760, and generally called the "Underwriters' Register," being issued for many years under the auspices of a committee consisting of the leading members of Lloyd's. How it came that a publication much more perfect should have existed aside of the "Underwriters' Register," and have disappeared afterwards, is a mystery that can be solved only by the discovery of the missing books of the series represented by the oblong volume of 1764-65. It is shrewdly conjectured by Mr. John, on the ground of small letters being used as signs, which subsequently gave way to capitals, that, when the register for 1768-69 was published, there were still successors of the 1764-65 series in existence, and that the former, therefore, was a rival publication. As regards intelligibility, the book of 1768-69 stands, as in other points, below its predecessor of 1764-65, in the absence of headings to the columns. While the meaning of some of these may easily be guessed, that of others must remain entirely a matter of vague conjecture.

The next oldest book in the collection of White Lion Court bears date 1775-76. It is evidently a successor of the volume of 1768-69, or the "Underwriters' Register," but differs from it in having ten instead of nine columns, differently arranged, and likewise in the use of capital letters for signs. It is this adoption of capitals, which as just mentioned, furnished material for the subtle guess that the old series of register books was in existence in 1768-69, and that, it having once disappeared, the clearly better designation of the character of each vessel, its hull and equipment, was adopted by the publishers of the "Underwriters' Register." The following is a reprint of a page of the register for 1775-76, showing the alterations introduced.

P

													1775	76
2	Pacific	Bg	Edw. Jones	90 SD	Britiſh	56 71 lr	Capt.		Li Ireland	E. I				
3	Padmore	Sp	S Williams	70 SD	Wales	68	G. Williams	9	Lo Dublin	A. I 73	E. I 11			
4	Paiſley	Sp	Jn Miller	180 SDB	Carron	72	Garbutt & C	11	Lh Ferrol	A. I 6				
5	Paix	Bg d	M. Jornes	200 SD	Dantzic	56	*M.* Marthe	10	Dantz. Lo	E. I	I. I			
6	Pallas	Bg	Sam Barnes	130	Boſton *A.*	71	J. Riordane	13	Dantzic Cs Br Boſton	4 A. I	5			
7	—	S	D Drmmnd	500	Whitby	72	*M.* Holt	15	Boſton Ph.	74 A. I	A. I			
8	—	Bg	Geo. Bell Rt Kelſick	120 SDB	Britiſh	63	Capt. & Co.	11	Wrktn Co	11 E. 2	12			
9	—	Bg s	H M'Ichlin	160 SDB	Boſton *A.*	74	Dunlop & Co	13	Mryld Lo.	74 A. I	A. I			
10	—	75 S	Js Noble	200 SDB	America	72	Glasfrd & C.		Gr Rtrdm	12 A. I	3			
1	—	S s	Jn Turner	300	Carolina	71	Jn Nutt	14	Carol. Lo	73 A. I				
2	Palliſer	74 Sw	E. Henſley	120	Nwbury	66	Capt. & Co.	13	Da N'flnd	5 E. I	E. I			
3	—	S	W. Waters	500	Scarbro'	73	J Wilkinſon	16	Lo Trnſpt	4 A. I	11			
4	Palm-Tree	H d 73	Jn. Guyer	150 SDB	Koning. D. rp.	64 75	H. Barcham	10	Br Koning	2 E. I	E. I			
5	—	S d	H. Pieters	300 SD	Dantzic	53	H. Suerman	13	Be. France	9 I. I	8			
6	Paoli	Bg s	Rt Ranſom	120 SDB	America	old	*M.* Coulſon	12	Rttrdm Lo	74 I. I				
7	Parfaite	Sw	J le Moeuf	80	France	65	Capt. & Co.	9	Co Bourdx	1 E. 2				
8	Parker	Galley	W Cheeſmn	160	River	59	Capt. & Co.		Lo Levant	11 E. I				
9	Nancy Parlequin	S s Bg s	W Hndcock	50 SD	S. rprs Pool rb.	72 55 70	M. Kittier	9	Po. N'flnd	73 E. 2	E. I			
20	Parnaſſus	S s	Js Carr	400 3 Ds	River	69	Long & Co.	16	Lo. Jamai. C.	4 A. I	1 A. I			
1	Parnell	74 Bg	Jn Ardis	160 SDB	Virginia	75	Virginia	12	Virgin Br.	9 A. I	2			
2	Partridge	Bg	Jh Borrow-dale	160	Briſtol	75	J James & Co	13	Br. Londn	12 A. I	A. I			
3	—	Bg	R Dodſwrth	80 SDB	Briſtol		Capt. & Co		Seville Lo	3 E. I	3			
4	Patience	S	S. Kioſtleſn	250 SDB	Norway	67	Capt.	13	Nrway Lo	74 E. I	E. I			
25	—	Bg s 73	Wm Moore	200 SDB	Cheſter	72	Capt.	12	Irelnd Wn	74 A. I 10	5			

It will be seen that the letters A 1 appear here for the first time, evidently denoting the state of the hull, the simple numbers describing the equipment. The sign A 1 has continued to express the class of first-rate wooden vessels ever since, for a period of just a century.

The growing commerce of Great Britain in the eighteenth century meets with interesting illustration in the increasing thickness of the early volumes of the Register of Shipping. In the first books already described, there were only about 1,500 vessels entered, but the number before long grew to 2,000 and above. The size of the vessels also increased gradually, as will be seen by a comparison of the copied pages of the three registers for 1764-65, for 1768-69, and for 1775-76. The largest vessel in the first register is but of 340 tons; while in the second there is one vessel of 499 and another of 450 tons; and in the third there are two vessels of 500 tons each. Vessels of 700 and even 800 tons appear in the register for 1781-82—the next in succession of age in the collection of "Lloyd's Register of British and Foreign Shipping." The arrangement of columns and classification of vessels in this publication for 1781-82 does not in the least differ from that of 1775-76, but the book is interesting in several other respects. While in all the older volumes the front pages are wanting, this one, though without the title-page, has the one succeeding, containing "a list of the members of the society," 150 in number. The "society" issuing the register is found to be so far identical with that of the Society of Underwriters in the Royal Exchange, as containing all the most eminent members of "New Lloyd's," including its founder, Mr. John Julius Angerstein. In the register for 1781-82 there is also the first indication of surveyors appointed to inspect vessels. A printed slip, partly destroyed by the cutting out of a name, states that, "at a general meeting of the society on the 12th of December last, it was unanimously resolved that Mr. Alexander Stupart be henceforth ap-

pointed to survey any damage sustained by [shipping] which is to be repaired in the River of Thames; and [that] underwriters be desired to employ him in that service, [which is] supposed will be attended with many advantages." It is added, as a second resolution, "that the expense of Mr. Stupart's surveys be paid [by the] society, to be determined annually." There seems no doubt, both from this notice and the list of members of the society, that their publication was deserving of the title of the "Underwriters' Register."

There is internal evidence in the succeeding volumes of the registry, down to the end of the eighteenth century, that the survey of vessels was made gradually more strict, due, probably, in part, to the great naval war in which the country was engaged, and partly to the losses occasioned by frauds. This increasing strictness, and the fact of the registry being solely under the management of underwriters, led to great dissatisfaction among shipowners, which finally culminated in their setting up a publication of their own, denominated "The New Register Book of Shipping." The first edition of this book, issued biennially, like the old "Underwriters' Register," was brought out in 1798, it being stated on the title-page that it was published "by a Society of Merchants, Shipowners, and Underwriters." But from the lists of members of the committee and of subscribers, given on subsequent pages, it appears that the "merchants and shipowners" immensely predominated, and that there was not among them the name of a single known underwriter. In the preface, headed "explanation," and dated April 2, 1799, the committee of the "Society for conducting the publication of the Register Book of Shipping," stated "the motives which induce them to undertake a work of such importance." The motives, set forth at great length, were in the main, that the survey of vessels, and classification in the underwriters' registry, had become too strict to suit the views of the shipowners, particularly in that the age of vessels was made unduly

prominent in the classification. The latter had been a recent improvement in the Registry, and the shipowners complained of it, expressing themselves—in terms curious to read—intensely desirous to retain the old state of things. The following extracts contained the chief part of the "explanation."

"It is well known," say the starters of the opposition register, "that a book has, for a long series of years, been annually printed under the direction of a committee of a society, formed of subscribers, for the information of underwriters; which book, after a variety of alterations, was at length arranged in a manner that gave general satisfaction; and, having continued above twenty-four years to be the record of the age, burthen, build, quality, and condition of vessels and their materials, marked according to the opinion of skilful and diligent surveyors, employed by the society in all the principal ports of the kingdom, had become a book of authority, and in a great degree governed the merchant, the shipowner, and underwriter, in their opinions of the quality of ships for the purpose of freighting goods, or insuring, and consequently, in a great measure, regulated their value. In the preceding year, the committee of the society, without consulting the subscribers at large, made an entire change in this system, so long established and so universally approved, and substituted in its place a plan founded on a principle diametrically opposite and perfectly erroneous. Instead of classing the ships which they gave an account of, according to the actual state and condition ascertained by a careful surveyor, a new system was adopted of stamping the character of the ship wholly by her age, and the place in which she was built, without any regard to the manner in which she was originally constructed, the wear or damage she might have sustained, or the repairs she might from time to time have received, or even being rebuilt: thereby at once obviating the necessity of surveying the hulls of vessels, lessening the inducement to build ships upon principles of

strength and durability, and taking away the encouragement to keep them in the best state of repair, that they might maintain their character in the Register Book." Thus far the promoters of the "New Register Book of Shipping" take their stand upon purity of motives, but in what follows they reveal too much of the existence of mere class interest, professedly as that of "shipowners":—

"On the first appearance of this new system," the "Explanation" goes on to say, "meetings were held by a numerous body of shipowners of this city, who came to resolutions expressing, in the strongest manner, their disapprobation of the conduct of the committee of the society, and, amongst other resolutions, declared their opinion that it was 'founded in error, and calculated to mislead the judgment of merchants and underwriters, and, if continued, would not only prove of very injurious consequences to individual shipowners, merchants, and underwriters, but to every branch of trade connected with repairing and refitting vessels, and, in a great measure, tend to destroy the shipping of the country.' Meetings were held, and similar resolutions formed, in the principal outports of the kingdom. The shipowners of London appointed a committee to represent to the authors of this new plan the injurious tendency of their system; but that committee thought proper even to refuse them an interview. Under these circumstances, the shipowners had no remedy but to raise subscriptions, and make the necessary arrangements for publishing a book founded upon principles so long established and so universally approved." The "New Register Book of Shipping" thus established, was kept up for a term of thirty-four years, published at an annual loss, which had to be covered by the subscriptions of some wealthy members of the class which brought it into life. It was called generally the "Shipowners' Book," and also, more derisively, the "'Long-shore Book."

The "Shipowners' Book" at the outset was a very curious publication. The description of the vessels classed

in it embraced little more than the names of owners and masters, together with tonnage and year of construction, and such further items of information as S D B, "single deck with beams," or S D W, "single deck with deep waists." The classification was fourfold, under the letters A, E, I, and O. It was stated in the "Rules adopted by the Committee of the New Register Book of Shipping," that the letter A, first class, was given to "river-built ships, if built entirely of British oak;" the B, second class, to "all ships kept in perfect repair;" the I, third class, to "ships which shall not appear upon survey perfectly safe to carry dry goods, though such vessels are deemed seaworthy as far as regards the carrying of goods not liable to sea-damage;" and, finally, the letter O, fourth class, to "vessels out of repair, and not deemed safe and seaworthy for a foreign voyage." Added to the letters, there was a classification of "ship's materials," by the figures 1 and 2, the first being declared to signify "well found," and the second, "indifferently found." To curry favour with the great body of shipowners, the conductors of the "New Register Book," during the first few years of its publication, placed nearly the whole of the shipping in the lists under the classification A 1, and only occasionally, in the case of very old vessels—in some instances ships marked as being built previous to 1750, and therefore half a century old—the letter E was appended, nearly always with the figure 1. That such classification was an absurdity, and of no value whatever, had soon to be recognized by the shipowners themselves, and it was not long before the majority of them, including the most respectable members of the body, withdrew from the support of the "New Register Book." This gave rise to an agitation, which, being continued for more than twenty years, finally resulted, in 1834, in the establishment of an entirely new system, both of survey and classification, supported alike by underwriters and shipowners, known as "Lloyd's Register of British and Foreign Shipping."

In the meanwhile, the old "Register of Shipping," or the

"Underwriters' Book," continued to be the chief publication, and the only one looked upon with confidence, for the classification of vessels. It was generally supposed to emanate direct from Lloyd's, but this was not actually the case, although so far correct that almost all the members of "the Coffee-house" were likewise members of the body carrying on the publication, and going by the name of "the Society for the Registry of Shipping." The committee of this society was also nearly identical with the committee of Lloyd's, consisting of the leading underwriters, so that, on the whole, there was a thin line of division between Lloyd's and the "Society for the Registry of Shipping." With the nineteenth century, the publication of the "Register," formerly bi-annual, became annual, with notice to the subscribers that the "books should be posted every week," and the request "that the members will be particular in delivering them when they are called for, or otherwise the office cannot be responsible for their correctness." Prefixed to the annual edition, for many years, was a list of "the names of the gentlemen who compose the committee for conducting the affairs of the society," the list containing eleven names. They were as follows, respectively, for the publications of 1800 and 1825:—

1800.	1825.
John Julius Angerstein	William Bell
William Bell	William Borrodaile
John Bourke	Richard B. Dunlop
John Campbell	Alexander Hutchison
Alexander Champion	James Inglis
George Curling	William Leathley
Charles Henry Dubois	John Luke
William Hamilton	George Munro
Robert Hunter	Vincent Francis Rivaz
Robert Pulsford	George Shedden
Edward Vaux	Robert Shedden

The establishment of the "Shipowners' Book," though

not detracting from the value of the registry issued under the auspices of Lloyd's, had an evil influence upon the finances of the "Society for the Registry of Shipping," as stated in a circular issued to the members in 1829. The circular, furnishing some interesting information about the history and management of the society, ran as follows:— "Lloyd's Registry of Shipping, Castle Court, Birchin Lane, January, 1829. The committee beg leave to remind the subscribers that when this society was established, in the year 1760, the annual subscription was twelve guineas. At the end of half a century, their funded property having increased to £12,000 stock, the price of the book was reduced one-third, that is, from twelve to eight guineas. But the expenses of the last twenty years have exceeded the income by nearly £500 per annum, and, the stock now remaining amounting to only £2,000, the committee are under the necessity of raising the price of the book this year to ten guineas. Nearly ten thousand vessels are surveyed every year, and the expenses of survey by competent judges cannot be reduced under the present salaries, which exceed £1,000 per annum, being rather under 2*s.* 1½*d.* each vessel." Other accounts fully bear out the statement of the last paragraph, about the salaries of the surveyors being so modest that they "cannot be reduced." It appears that the two principal surveyors at the port of London had no more than £250 together, being at the rate of £125 each, while many of the surveyors at the outports had no pay at all from the society, their income being derived solely from fees. The system, it is needless to say, was bad in principle, and its defects were fully acknowledged by the leading members of Lloyd's.

The dissatisfaction with the existing survey and registry of shipping found vent, in December, 1823, in a large meeting of merchants and shipowners, held at the London Tavern. It was presided over by Mr. George Lyall, and the principal speaker was Mr. John Marshall, a shipowner, who had for several years past made strong endeavours, by

the dissemination of circulars, pamphlets, and other means, to place the whole system of survey and classification upon a new basis, which should combine accuracy with the furtherance of the true interests of all classes interested in shipping. The leading idea of Mr. Marshall was that the superintendence of the registry should not be exclusively either with Lloyd's, or with the shipowners, but under a general committee, formed, by election, from among the principal members of both bodies, and the chief commercial associations in the kingdom. In his speech at the London Tavern, Mr. Marshall furnished some information concerning the receipts derived by the two existing registry books, with a view of showing that the carrying out of his proposals would not only result in gain to the shipping interest, but be a financial success. "The revenues of the books now in use," he said, "are estimated to be nearly as follows:—The Old Book has about 180 subscribers, at eight guineas each, and twenty guineas from the Royal Exchange and London Assurance Companies, which gives an income of about £1,550; while the New Book has about 126 subscribers at the same rate, and with two similar donations, thus realizing about £1,080. If, instead of two, only one book was published, and that on a principle which would combine general approbation, the aggregate number of subscribers would, I conceive, be much increased, and the ability to pay fit and competent surveyors, and other necessary and efficient officers of the establishment, be proportionately augmented. The number of vessels in the Old Book is, in round numbers, about 14,450, and in the New Book about 13,950, and upon so numerous a marine a revenue might, in my opinion, be raised, without any undue pressure on its proprietors, fully adequate to the expenses of an establishment, in all respects efficient for its object." It was resolved by the meeting, on the motion of Mr. Marshall, to appoint a committee to inquire into the subject of registration and classification of vessels. The resolution was confirmed at another meeting, held at the London Tavern on the 22nd

of January, 1824, under the presidency of Mr. Thomas Wilson, M.P. for the City of London, when the further decision was come to of making the committee consist of thirty-six members, of which eight were to be chosen by Lloyd's.

The invitation to elect eight representatives to Mr. Marshall's committee was laid before a general meeting at Lloyd's, held on the 18th February, 1824, Mr. Benjamin Shaw in the chair. At the meeting, opinions were greatly divided as to the advisability, or otherwise, to join in the proposed committee of inquiry. In his opening speech, the chairman declared that he, speaking for the committee of Lloyd's, recommended to decline the invitation. "It is an application," Mr. Shaw said, "from the shipowners, in which they describe the present system of classing ships to be unfair in principle, and very injurious in its operation on their interests. Now, although the present mode may not be free from objection, I think it has been found to answer very well for the underwriters, and, therefore, I shall look to any alteration of the system as calling for our vigilant attention. The committee, in the exercise of that discretion on matters affecting the interest of the house which is vested in them, have given this important subject their most serious attention and consideration, and they have come to the conclusion that the proposal to appoint eight of the members of the house to form part of the proposed committee of inquiry was a measure strongly to be deprecated." The report of the committee recommending to "abstain from acceding to the invitation," having been read, a warm debate ensued, one of the subscribers of Lloyd's, Mr. Buckle, a shipowner, arguing that the meeting at the London Tavern was wrongly described as a gathering of "shipowners only," whereas, to his knowledge, it was composed of "merchants, shipowners, and underwriters, very numerously attended, and of the highest respectability." Mr. John Marshall followed Mr. Buckle in an eloquent speech, in which he entreated the members of Lloyd's not to adopt

the conclusions of this committee. "All that is now asked for is inquiry," he exclaimed, "and to make that efficient, and to secure the support and approbation of every class, it is proposed that all the great interests concerned shall take part in the investigation. I entertain no doubt that this house will, on this great occasion, act worthy of its character: celebrated as it is from pole to pole for its liberality; ever ready, as it has invariably shown itself, not only to concur, but to take the lead in objects involving the welfare of the country, and, more especially, its maritime prosperity and greatness." The appeal produced its effects upon the meeting, which decided, by a large majority, to "accede to the resolution and invitation of the general meeting of merchants, shipowners, and underwriters, held at the City of London Tavern on the 22nd ult., by nominating eight of their body members of the committee then appointed." The nomination followed of twenty-four members, it having been decided to elect the eight deputies to the committee two days after from among them by ballot.

Notwithstanding the majority which Mr. Marshall had brought round to his side at the meeting, the members of Lloyd's exhibited still great antagonism to his scheme. When the day arrived for the ballot election, the whole of the twenty-four nominees for it tendered their resignation, giving various reasons for not wishing to serve on the committee of inquiry. Thereupon another general meeting had to be called, which took place on the 3rd of March, 1824, Mr. Benjamin Shaw again in the chair. This time, the opponents of the election stood forth much stronger than before, their spokesman, Mr. William Janson, a member of the committee of Lloyd's, urging strongly that it was quite against the interest of the underwriters to join in a scheme which they would in no way be able to influence, since the presence of eight of their body in a committee of thirty-six members could have no weight, and the only result would be of their apparently sanctioning resolutions almost sure to be deprecated by the house. Mr. Janson

further argued that the movement was "altogether a shipowners' question, got up by them, and intended solely for their advantage," and finished his speech by putting the amendment, "That this meeting do now adjourn." Intense excitement followed, and, a show of hands having been declared by the chairman to have rejected the amendment, Mr. Janson demanded a ballot, which was fixed for the 10th of March. Great efforts were made by both parties to gain the victory on this occasion, and, as stated in a pamphlet of the day, "almost the whole of the counting-houses and coffee-houses in the city were visited, to procure the attendance of every subscriber who could be found." In consequence, 679 members of Lloyd's attended the ballot, and of these 327 voted for, and 352 against, Mr. Janson's amendment. Thus the victory was left with Mr. John Marshall and what was called "the reform party of Lloyd's."

After some further delay, arising from negotiations with various bodies representing conflicting interests, the committee of inquiry, composed of twenty-four members nominated in London, eight from Lloyd's, eight from the Society of Shipowners, and other eight from merchants, and of ten representatives of British outports, was finally nominated.

The following were the representatives of Lloyd's, and the Society of Shipowners:—

Lloyd's.	Society of Shipowners.
Thomas Ashton	John Buckle
John Buck	John Dawson
David Carruthers	Nathan Domett
James Lindsay	James Greig
Jacob Mill	George Lyall
Robert Simpson	Thomas Spencer
John Whitmore	Thomas Urquhart
Arthur Willis	George Young

The members of the committee of inquiry carried out as zealously as amicably the important task which they were called upon to discharge. "Never did any committee,"

testified Mr. John Marshall, one of the members, as delegate for Hull, "enter upon its duties with greater zeal, or a more anxious desire to acquit themselves faithfully of their obligations to the public, than these gentlemen; never was there exhibited a more thorough absence of every personal or private object, or a more single-hearted and earnest endeavour to render their labours practically beneficial and acceptable to all whose interests they were called upon, to the best of their judgment, to secure." At the first meeting of the Evidence Committee, Mr. James Lindsay, one of the delegates of Lloyd's, was appointed chairman, and at his instigation the inquiry was made more exhaustive than originally intended, evidence being taken from witnesses of every rank and degree, and from all parts of the kingdom, connected with shipping and the survey of vessels. This consumed naturally a vast amount of time, and it was not till at the end of two years that the committee were able to issue their report. It was dated February 8, 1826, and proved a most exhaustive document. After setting forth "that the whole of the merchant shipping of this country is at present classed in books, printed for the avowed use of the underwriters of Lloyd's, but supported by the general subscriptions of merchants, underwriters, shipowners, and others," and that "the circulation of these books is not confined to the port of London, nor even to Great Britain, but is extended over every part of the globe, they having become the almost universal standard by which the merchant is guided in his shipments, the underwriter in his insurance, and the passenger in undertaking his voyage, so that, in fact, the character they affix stamps the value on the ship, and almost exclusively regulates the confidence reposed in her safety and sufficiency," the report went fully into the means for improving the mode of classification of vessels, and their registry.

The summary of the recommendations of the committee was to establish a rigid system of survey of all vessels, beginning at their construction, by thoroughly competent per-

sons, and to publish the complete details of it, an elaborate registry to take the place of the two existing books. "The evils and defects of the present system," the committee declared, "have been chiefly produced by the want of an enlarged and well-organized system of survey, which has been rendered impracticable by the inadequacy of the means existing for the proper remuneration of independent and competent surveyors." The remedy proposed was the appointment of thirty-four principal and assistant surveyors, with salaries ranging from £75 to £600, at a total cost of £7,700 per annum. It was estimated that the expenses of secretary, printing, committee, travelling, &c. would amount to about £6,000 in addition, thus bringing the total yearly expenditure for the maintenance of the system up to £13,700. Thus far the recommendations of the committee were absolute, the report dwelling with repeated emphasis on the fact that "to the absence of regular and constant professional supervision, by properly selected persons, the abuses and evils of the existing system have been principally traced." To the immediate question, as to the raising of the requisite £13,700 per annum, the committee had, however, but a hesitating reply. They did not consider it to be within the range of possibility that the subscriptions for the new and improved registry book could pay for the charge of survey. "All expectations," the report declared, "of obtaining funds adequate to ensure the vigorous and permanent administration of a system of classification under which character should be impartially assigned and rigidly maintained, according to the intrinsic quality of ships, must, except under the sanction and authority of parliamentary provision, prove visionary and hopeless." In consequence, the committee recommended that the new system of survey should be set on foot and maintained "at national expense," which might "be met by a small addition to the duty on marine insurance." How wavering was this recommendation was shown in the next paragraph of the report. "Your committee," it was stated, "are fully aware that to this mode weighty objections

may be urged. The direct interposition of public support would, in all probability, transfer to the executive government the superintendence of a system imperatively requiring for its effective administration the aid of mercantile and professional knowledge and experience." Thus doubtful upon a point on which everything hinged, the committee, somewhat faintly, got free of its difficulties by leaving the decision to a "general meeting, to whose wisdom they refer it."

The general meeting took place at the London Tavern four months after the presentation of the address, on the 1st of June, 1826, Mr. Thomas Wilson, M.P., in the chair. Besides the reading of a curious communication from the secretary of the Board of Trade, stating that "their lordships cannot but approve of the proposed alterations which the committee have in view, since they appear to their lordships calculated to introduce great and solid improvements in the naval architecture of this country," but carefully eschewing to hold out any hope that the government would render any support to the "national expense" scheme proposed by the committee, the proceedings were of no importance. The meeting having been adjourned, another was held at the London Tavern on the 20th of July, 1826, Mr. Thomas Wilson again, and for the last time, in the chair. It was, like the preceding one, entirely without results, only leading to another adjournment, which never took place, owing to the rather sudden death of two of the principal leaders of the movement, Mr. Thomas Wilson, member for the City, who all throughout had given his warm support to the inquiry and proposals resulting therefrom, and Mr. William Mitchell, a member of the committee, as delegate of the London merchants foremost in all its deliberations. Subsequent meetings were little attended, and it was not till after the lapse of another year, in which the scheme of the committee of inquiry was kept alive mainly through the unceasing agitation of Mr. John Marshall, that it was carried at last into execution, but with the important change of all negation of the idea of "national expense." The realization

came with the foundation, in 1834, of the great institution, known all over the world as "Lloyd's Register of British and Foreign Shipping."

The establishment of "Lloyd's Register" was more immediately due to the great exertions of Mr. Thomas Chapman, who not only fully deserves the title of its founder, but to whose administrative genius, more than to anything else, the institution owes its high success. It was chiefly through the weight of Mr. Chapman's personal influence that the members of Lloyd's consented to lend their name, together with a large sum of money, to the setting up of the institution; and it was, again, his personal influence which broke down the opposition of the mass of conflicting interests that had stood out for years past against the execution of the scheme proposed in 1826 by the committee of inquiry. This scheme Mr. Chapman modified in several important particulars. He insisted, first of all, that the organization he was bringing into life should be self-supporting—not only independent of government aid, but of any adventitious gifts from friends and supporters. This thoroughly sound plan Mr. Chapman succeeded in carrying out to the fullest extent, in a manner so admirable as never to meet with any counteraction. Another modification, quite as important, if not more so, in the original scheme propounded at the London Tavern in 1826, was made by Mr. Chapman in the machinery employed for the classification of vessels. The committee of inquiry, while insisting that a thoroughly efficient body of surveyors should be formed for the inspection of vessels, had left too much responsibility to their surveyors by giving to them the absolute power of classification, leaving no remedy for wrong estimates, or errors of judgment. Mr. Chapman's sagacity discovered at once that this was the weak point of the scheme, and he at once discarded it, by a remedy as simple as effective. He laid down the fundamental rule that the character of vessels, and classification springing therefrom, should be determined, not by the surveyors themselves, but by a central committee,

embracing a representation of all interests, and which, while acting mainly upon the reports of the surveyors, should not exclude other knowledge. It was this eminently wise arrangement, forming, in some respects, the basis of the working of "Lloyd's Register," which very early established the success and prosperity of the institution.

The labour of forming the rules of the society was left to a provisional committee, elected at a large meeting of shipowners, merchants, and underwriters, and was completed in October, 1834, when "Lloyd's Register of British and Foreign Shipping" became formally constituted by the appointment of a definite committee of management. Mr. Thomas Chapman was not long after chosen the chairman of the committee, which post he has filled, by annual re-election, ever since, for a period of nearly forty years, universally acknowledged the soul of the institution which he originated. The rules laid down originally for the government of "Lloyd's Register" fixed the number of members of the committee at twenty-six, but they were increased afterwards to thirty-nine by the addition of thirteen representatives nominated by the shipowners and underwriters of Liverpool, Bristol, Hull, the Clyde, Stockton, the Tyne, and the Wear. At present the rules in question are as follows:—

"The superintendence of the affairs of the society to be under the direction of a committee of merchants, shipowners, and underwriters: twenty-four elected in London and fifteen at the principal outports, and in addition, the chairman for managing the affairs of Lloyd's, and the chairman of the General Shipowners' Society, for the time being, to be, *ex officio*, members of the committee.

"Six of the members elected in London, namely, two of each of the constituent parts of the committee, to go out annually by rotation, but to be eligible to be re-elected. The vacancies so arising to be filled up by the election of two underwriters and one merchant by the committee of Lloyd's, and two shipowners and one merchant by the committee of the General Shipowners' Society.

"Of the members elected at the outports eleven are to retire at the end of every *four* years, and four of the members elected at Liverpool are to retire annually. The retiring members are eligible for re-election.

"The committee to appoint from their own body, annually, a chairman and deputy-chairman, and also a chairman for a sub-committee of classification.

"The committee to appoint a sub-committee of classification, to be so regulated that each member of the general committee may, in rotation, take his turn of duty therein throughout the year.

"No member of the committee to be permitted to be present on the decision of the classification of any ship of which he is the owner, or wherein he is directly or indirectly interested."

There are at present on the establishment of "Lloyd's Register" fifty-two surveyors, residing in the United Kingdom, who devote their whole time to the work of inspection of vessels, besides which there are fifty surveyors, at outports, in British colonies, and in foreign countries, who are not exclusive servants of the society. The number, ever growing, of regular officers—not permitted to engage in any other business or employment—is well distributed all over the kingdom, there being one at least at each of the smaller ports; two in places such as Greenock; four in Liverpool, Glasgow, Newcastle, &c.; and fourteen in London, the latter comprising a chief surveyor and two assistants, with two "engineer surveyors," performing also travelling duties of inspection. The work of the surveyors is distinctly laid down in the following strictly adhered to rules of the society:—

"All reports of survey to be made in writing by the surveyors according to the forms prescribed, and submitted for the consideration of the general committee, or of the sub-committees of classification; but the character assigned by the latter to be subject to confirmation by the general committee.

"The reports of the surveyors, and all documents and proceedings relating to the classification of ships, to be carefully preserved, and parties proving themselves to be interested therein to have access to the same under the direction of the chairman or deputy-chairman. Copies of the original reports (if the ships be already classed, but not otherwise), so far as relates to the dimensions, scantlings, fastenings, and materials, in cases where the correctness of the reports in these particulars is certified by the builders, are granted on application.

"Foreign ships, and ships built in the British possessions abroad where there is not a surveyor, to be surveyed on their arrival at a port to which a surveyor has been appointed; but a due regard is to be had to the circumstance of such vessels having been exempted from supervision while building, and the character to be assigned to them is to be regulated according to their intrinsic quality, and from the best information the committee can obtain.

"In every case in which the character assigned to a ship may be proposed, on survey, to be reduced, notice is to be given in writing to the owner, master, or agent, with an intimation that, if the reduction be objected to, the committee will be ready to direct a special survey, on the owner, master, or agent agreeing to pay the expenses attending the same, provided on the said survey there shall appear sufficient ground for the proposed reduction.

"When the surveyors consider repairs to be requisite, they are respectfully to communicate the same in writing to the owner, master, or agent, and if such repairs be not entered upon within a reasonable time a corresponding report is to be made to the committee for their decision thereon.

"Parties considering the repairs suggested by the surveyor to be unnecessary or unreasonable may appeal to the committee, who will direct a special survey to be held; but, should the opinion of the surveyor be confirmed by the com-

mittee, then the expense of such special survey is to be paid by the party appealing.

"The surveyors to the society not to be permitted (without the especial sanction of the committee) to receive any fee, gratuity, or reward whatsoever for their own use or benefit, for any service performed by them in their capacity of surveyors to this society, on pain of immediate dismissal.

"The surveyors will be directed to attend on special surveys of ships while building or under damage or repair, when required by merchants, shipowners, or underwriters; the charge for which is to be regulated according to the nature and extent of the service performed. In all cases, the application for the assistance of the surveyors must be made in writing addressed to the secretary."

According to the evidence of Mr. Bernard Waymouth, secretary of "Lloyd's Register," in 1873, before the Royal Commission on Unseaworthy Ships, the annual revenue of the society amounted then to £39,660 8*s.* 11*d.*; so that it may be given, in round numbers, at about forty thousand pounds. This large sum is derived partly from fees for the survey and classification of vessels fixed at the rate of one shilling per ton up to a thousand tons, and partly from the sale of the "Register" to annual subscribers. The income from surveying fees, it was stated by Mr. Waymouth, did not cover the cost of surveys, naturally expensive with a staff as well paid as efficient, the loss to the society, in the year referred to, amounting to not less than £13,160; the expenditure upon this part of the establishment having been £39,600, and the revenue of it but £26,500. The deficit, however, was more than made up by the other source of income, that from the sale of "Lloyd's Register." The book is sold to subscribers at rates—varying according to the number of times the publication has to be "posted," the changes, constantly recorded to the last moment, being daily and almost hourly—from three guineas to ten guineas per annum, while some of the large insurance

companies pay a hundred guineas for four always revised copies of the publication. It will thus be seen that the users of the book pay to a great extent for the expense of the surveys, a wise provision fully contemplated by the founder of "Lloyd's Register," Mr. Thomas Chapman.

The rules regulating the survey and classification of vessels under Lloyd's are most elaborate, going into the minutest details of the construction of both wooden and iron ships. They fill a quarto volume of more than a hundred pages, interspersed with maps, plans, and diagrams, in which every part of every kind of vessel is described in full, with regulations as to form, material, and mode of construction. The entry in the Register, result of the survey, minutely describes the size and condition of the ship, while the actual classification comprises numerous divisions and subdivisions; but they are virtually reduced as regards wooden vessels to five, distinguished by the letters—

A
A in red
Æ
E
I.

Ships classed A, in black consist of new ships, or ships "continued" or "restored." Ships classed A, in red consist of ships which have passed the period assigned on the original survey or "continuation," or "restoration," and also of ships not having had an original character, and which are found on survey of superior description, fit for the conveyance of dry and perishable goods to and from all parts of the world. Ships classed Æ consist of ships which are found, on survey, fit for the conveyance of dry and perishable goods on shorter voyages. Ships classed E comprise ships which are found, on survey, fit for the conveyance of cargoes not in their nature subject to sea damage on any voyage. Ships classed I consist of ships

fit to carry cargoes not liable to sea damage on shorter voyages. Attached to each letter, in the case of wooden vessels, is the figure denoting the number of years given for the classification. When a ship is classed by the committee a "certificate" is issued of this, signed by the chairman and the chairman of the classing committee and by the secretary, which is carried with the ship on the intended voyage as a proof everywhere of good character and condition when last surveyed in the United Kingdom.

The system of classing iron vessels differs, in some respects, from that just described, referring to vessels built of wood. The first iron vessels offered for classification at Lloyd's Register were the "Sirius," constructed at a London yard in 1837, and the "Ironside" in 1838. They had the A class, with the attached note, "built of iron," assigned to them, without statement of years, and were thus classed for a considerable time, the committee of management of the society abiding the result of experience as to the strength and durability of the new material employed in ship-building. It was finally decided that the words "built of iron" should be dropped, and the monograms A A A were invented for future use, to designate the gradations of probable durability in such vessels, and indicate the length of time—six, nine, or twelve years—which might intervene between the special surveys upon which such vessels should retain their characters dependent on their contingent efficiency. The number of iron vessels entered in "Lloyd's Register" is largely increasing from year to year, having risen, from the first two ships built in 1837-38, to 2,402 in the book for 1874, and to 2,587 in that for 1875. On the other hand, the number of wooden vessels fell, from 5,552 in 1874, to 5,413 in 1875. The following comparative table, compiled by Mr. Henry Jeula, of Lloyd's, will show the number of classed iron and wooden vessels, together with that of unclassed ships, in the volumes of "Lloyd's Register of British and Foreign Shipping" for each of the years 1874 and 1875:—

	1874.			
	Number.		Percentage.	
Iron vessels classed	2,402		16·57	
Wooden vessels classed . . .	5,552		38·31	
Total vessels classed		7,954		54·88
Class expunged	...	...	...	...
Character withdrawn or expired	...	...	...	...
No character assigned . . .		6,539		45·12
Total vessels in register book .		14,493		100·00

	1875.			
	Number.		Percentage.	
Iron vessels classed	2,587		17·20	
Wooden vessels classed . . .	5,413		35·98	
Total vessels classed		8,000		53·18
Class expunged	...	111		·74
Character withdrawn or expired	...	2,654		17·66
No character assigned . . .		4,275		28·42
Total vessels in register book .		15,040		100·00

The total number of British vessels, according to the latest returns, is upwards of 28,000, so that not much more than one-half are placed by their owners in the "Register," while, of this number again, little more than one-half are classed. In the timid report of the Royal Commission on Unseaworthy Ships, made in 1873, there occurs the remark:—"Some witnesses are of opinion that it would be expedient to use the existing machinery of 'Lloyd's Registry' for the compulsory classification of all merchant ships. A vessel, it is said, which would not stand a survey by Lloyd's ought not to be allowed to go to sea. *It is probable that this system of survey, if rendered compulsory, would stop many unseaworthy ships.*" It is a remark very generally endorsed, and with far more energy than in the report of the Royal Commissioners, by all classes of the

community interested in, or taking an interest in, the British mercantile navy.

The immense benefits conferred by the establishment and highly successful working of "Lloyd's Registry" would have probably been greater still but for the existence of a competition, altogether out of place in a matter of such national importance, affecting alike the lives and property of hundreds of thousands, as the survey and classification of ships. Notwithstanding the generally admitted admirable management of Lloyd's institution, a rival registry, chiefly for iron vessels, was set up, some years ago, by Liverpool shipowners, while some offshoots of American and continental enterprise, in the form of agencies, likewise tried to make money by classing ships. Among the most successful of these ship-classers has been Monsieur Charles Bal, a French or Belgian gentleman, manager of an establishment bearing the pretentious title of the "Bureau Veritas." When asked before the Royal Commission on Unseaworthy Ships, "What induced you to devote your energies in that direction?" Monsieur Bal replied, "A desire to make a position for myself, and *also* a desire to be useful." To the further inquiry, "Have you any objection to state the annual income arising from the Bureau Veritas?" Monsieur Bal made answer, "That is a very delicate question. The Bureau Veritas is a private institution, and under those circumstances I prefer not to answer the question." The "private institution," whatever its income may be, appears most anxious to increase it. In the report of the Royal Commission on Unseaworthy Ships, there occurs the following curious evidence given by the secretary of "Lloyd's Registry:" "Up to within five or six years," declared Mr. Waymouth, "we classed nearly the whole of the ships that were built in the colonies; but the Bureau Veritas stepped in, and, when they found that we made concessions, they gave further concessions; for instance, if we gave a vessel an eight years' class, they would give it nine; and, if we gave it ten, they would give

eleven. That goes on till it brings into existence an inferior class of ships to what would otherwise be produced." Here is a chink letting in a strong ray of light as regards the much-discussed question of unseaworthiness.

Awaiting the realization of the hope expressed in the report of the Royal Commission, that Lloyd's "system of survey, if rendered compulsory, would stop many unseaworthy ships," it is indisputable that, even without being intrusted with legal powers to enforce its action, the great institution at White Court has rendered incalculable services to British shipping. Giving the result of a long experience, and of the most perfect acquaintance with the subject, the chief surveyor of Lloyd's, Mr. Benjamin Martell, made the following declaration before the Royal Commission on Unseaworthy Ships:—"Shipbuilding was of a very inferior character in Sunderland and that part of the country some years ago, and I have no hesitation in saying that the rules of 'Lloyd's Register,' requiring the shipping to undergo the supervision of the surveyors, caused a great improvement and uniformity in the shipbuilding of the entire country. Some years ago no ship which could be classed as a high-classed ship, was built north of Hull; but some time after the appointment of surveyors, and the rules which were issued by the committee of 'Lloyd's Register,' and the general system of supervision, the river Wear became a great shipbuilding port for the country. First-class ships were built there for such firms as Duncan Dunbar and Green, and Messrs. Marshall and Sons, and a great many other similar large shipowners; and the probability is they never would have been built on the north-east coast but for the supervision of Lloyd's surveyors and the rules issued by 'Lloyd's Register.'"

CHAPTER XIX.

PRESENT CONSTITUTION AND MANAGEMENT OF LLOYD'S.

THE knowledge that all institutions require being re-organized from time to time pressed itself strongly upon the attention of the leading members of Lloyd's in the year that followed the establishment and highly successful working of its offspring, "Lloyd's Register." It was by means of an admirably devised constitution that the success was arrived at in this case, and there were many who thought that the parent likewise would be benefited if submitting to improvement dictated by the spirit of the age and the necessity of growth. Already in 1824, when the first efforts were made to upset the old system of registry and classification of vessels, the existence of a "reform party" at Lloyd's had made itself, as stated before, conspicuous; but for the moment its adherents were content with small changes in the management of the society, and there was no plan brought forward to change its constitution. A project for it, however, shaped itself in course of time, though very slowly, the ever-toiling members of Lloyd's—busiest among all the busy "brain-workers" in the kingdom, if not in the world—having little leisure to

devote to constitution-making, too much engaged to write "lines" to insurance charters to be able to draw the outlines of a charter for themselves. Still at length the necessity for a more settled and satisfactory organization than that existing under the old deed of association of 1811 made itself imperatively felt, and after lengthened debates it was decided upon, at a general meeting of the members of Lloyd's, to apply to Parliament for a charter establishing the society on an entirely new basis. The carrying out of the resolution was left chiefly to Mr. Benjamin Charles Stephenson, the able and accomplished secretary of Lloyd's, and it was due to his efforts and those of the committee that there was passed in the session of 1871, not without strong opposition, a bill granting to Lloyd's all the rights and privileges of a corporation sanctioned by Parliament.

It was on the 25th of May, 1871, that the royal assent was given to an "act for incorporating the members of the establishment or society formerly held at Lloyd's Coffee-house, in the Royal Exchange, in the city of London, for the effecting of marine insurance, and generally known as Lloyd's, and for other purposes." The objects for which the act was obtained were stated with great precision in the preamble, containing twelve divisions, as follows :—

"Whereas there has long existed in the Royal Exchange, in the city of London, an establishment or society, formerly held at Lloyd's Coffee-house in the Royal Exchange, for the effecting of marine insurance, and generally known as Lloyd's;

"And whereas the society is regulated by a deed of association dated on or about the thirtieth day of August, one thousand eight hundred and eleven, which deed, or a deed of accession referring thereto, has usually been from time to time executed by the several members of the society, and the society is governed by rules or regulations from time to time made under that deed:

"And whereas the affairs of the society and the business

conducted by its members as such are of large and increasing magnitude and importance, but the constitution of the society is imperfect, and difficulties arise therefrom in relation to legal proceedings and the management of the affairs of the society, and the incorporation of its members with proper powers would be of great benefit to the shipping and mercantile interests of the United Kingdom, and it is therefore expedient that they be incorporated and that provision be made for the government of the society and the conduct of its affairs:

"And whereas by section four hundred and forty-eight of the Merchant Shipping Act, 1854, it is enacted to the effect that any receiver of wreck, or in his absence any justice of the peace shall, as soon as conveniently may be, examine on oath any person belonging to any ship which may be or may have been in distress on the coast of the United Kingdom, or any other person who may be able to give an account thereof or of the cargo or stores thereof as to the matters in that section specified, and that the receiver or justice shall take the examination down in writing, and shall make two copies of the same, of which he shall send one to the Board of Trade and the other to the secretary of the committee for managing the affairs of Lloyd's in London, and such-last mentioned copy shall be placed by the said secretary in some conspicuous situation for the inspection of persons desirous of examining the same:

"And whereas it will be necessary on the incorporation of the society to secure the continuance of the operation of the said section:

"And whereas the capital stock of the society consisted on the first day of December, 1870, of the sum of forty-eight thousand pounds Three Pounds per centum Consolidated Annuities, standing in the names of four persons being trustees for the society:

"And whereas in or about the year 1799 a vessel of war of the royal navy named the Lutine was wrecked on the coast of Holland, with a considerable amount of specie on

board insured by underwriters at Lloyd's, being members of the society, and others, and Holland being then at war with this country the vessel and cargo were captured, and some years afterwards the King of the Netherlands authorized certain undertakers to attempt the further salvage of the cargo, on the conditions (among others) that they should pay all expenses, and that one half of all that should be recovered should belong to them, and that the other half should go to the government of the Netherlands, and subsequently the King of the Netherlands ceded to King George the Fourth on behalf of the society of Lloyd's the share in the cargo which had been so reserved to the Government of the Netherlands:

"And whereas from time to time operations of salving from the wreck of the Lutine have been carried on, and a portion of the sum recovered, amounting to about twenty-five thousand pounds, is, by virtue of the cession aforesaid, in the custody or under the control of the committee for managing the affairs of Lloyd's:

"And whereas, by reason of the mode in which the business of insurance has always been carried on by members of the society, the names of those who underwrite a particular policy cannot, when a considerable time has elapsed, be traced with certainty, if at all, especially as regards policies anterior in date to one thousand eight hundred and thirty-eight, in which year the books and papers relating to the affairs of the society were lost in the fire which destroyed the Royal Exchange:

"And whereas it is expedient that the operations of salving from the wreck of the Lutine be continued, and that provision be made for the application in that behalf as far as may be requisite of money that may hereafter be received from those operations, and for the application to public or other purposes of the aforesaid sum of twenty-five thousand pounds and of the unclaimed residue of money to be hereafter received as aforesaid:

"And whereas it is expedient that various powers be con-

ferred on the society as incorporated and that its functions be as far as may be defined:

"And whereas it is expedient that provision be made for the incorporation from time to time by agreement with the society of other societies, associations, companies, or corporations instituted for purposes connected with shipping or marine insurance."

The preamble concluded with the usual phrase, that "the objects aforesaid cannot be attained without the authority of Parliament."

The act for the incorporation of Lloyd's contains forty-three clauses, exclusive of the preamble. The first nine refer to legal matters, and the appointment of servants, while the tenth clause briefly defines the objects of the corporation. They shall be:—

"1. The carrying on of the business of marine insurance by members of the society;

"2. The protection of the interests of members of the society in respect of shipping and cargoes and freight;

"3. The collection, publication, and diffusion of intelligence and information with respect to shipping."

Clauses eleven to seventeen prescribe the formation of the ruling body of Lloyd's, the committee, as follows:—

"There shall be a committee of members of the society, to be called the Committee of Lloyd's, of whom the full number shall be twelve, with power for the society by bye-law from time to time to increase the number to any number not exceeding twenty, and from time to time after any such increase to reduce the number to any number not less than twelve, and the quorum shall be five.

"The following persons shall be the first members of the committee; (that is to say), George Joachim Goschen, Henry Caspar Heintz, Frederic Bernstein Bernard Natusch, James Bischoff, George Dorman Tyser, Michael Wills, William Wilson Saunders, Leonard Charles Wakefield, Thomas Chapman, Samuel Hyde, Charles Leathley, and Solomon Israel Da Costa.

"On the first day of January in each year beginning with one thousand eight hundred and seventy-two, three members of the committee shall go out of office, and cease to be members thereof.

"The three members of the committee to go out in one thousand eight hundred and seventy-two shall be Henry Caspar Heintz, Frederic Bernstein Bernard Natusch, and James Bischoff; the three to go out in one thousand eight hundred and seventy-three shall be George Dorman Tyser, Michael Wills, and George Joachim Goschen; and the three to go out in one thousand eight hundred and seventy-four shall be William Wilson Saunders, Leonard Charles Wakefield, and Thomas Chapman: and afterwards the three members to go out yearly shall be those who have been longest in office as members of the committee.

"The persons who are to fill the offices of the members of the committee going out by rotation shall be elected yearly, at the general meeting of the society to be held on the second Wednesday in December in each year, beginning with one thousand eight hundred and seventy-one, and no person but a member of the society shall be eligible.

"Any member of the committee going out of office by rotation shall be re-eligible after the expiration of one year, but not sooner, except in the case of the chairman for the time being, who shall be re-eligible immediately; and any member, on re-election, shall with respect to rotation be deemed to begin a new term of office.

"If the office of any member of the committee becomes vacant otherwise than by rotation, the society may, if they think fit, elect another member of the society to be a member of the committee, and the person so elected shall hold office as long only as the person in whose stead he is elected would or might have held office."

As regards the annual election of members of the committee, and for other purposes decided upon at general meetings, it is directed by clause eighteen that "at every general meeting of the society every member shall have a vote, but a member shall not be entitled to vote at any meeting

who is in arrear in respect of any subscription or other sum payable by him under the bye-laws of the society."

The remaining clauses of the Act of Incorporation treat of the power of making bye-laws, the exclusion of members from the society, and various other matters. Three of these clauses are of more general interest, the first making provision respecting protection of interests of members in matters of marine insurance, the second authorizing the corporation to undertake the recovery of wrecks, including that of the "Lutine," and the third, the most important, giving power to make agreements for incorporating other societies with Lloyd's. As regards the first of these three subjects, the act provides as follows :—

"In order to the attainment of the object of the society, which consists in the protection of the interests of the members of the society in respect of shipping and cargoes and freight, the society may from time to time apply their corporate funds, and employ officers and agents and use other lawful means for the following purposes, or any of them, namely—

"The investigation of frauds practised or attempted or intended to be practised with respect to vessels or their cargoes or freight, in which members of the society are interested, or with respect to insurances, effected or purporting to be effected with members of the society on vessels or their cargoes or freight or otherwise, with respect to the business of marine insurance carried on by members of the society :

"The taking or facilitating of proceedings for the punishment of persons guilty of, or concerned in, such frauds :

"The taking charge of the interests of members of the society and others consenting thereto in vessels and cargoes and freight :

"The doing of all things incidental or conducive to the fulfilment of the purposes mentioned in this section."

As regards the recovery of wrecks, more especially that of the "Lutine," the act provides as follows :—

"The society may from time to time aid in, or undertake, in such manner as to them seems fit, the discovery, recovery, protection, and restoration, or other disposal of property, before or after the passing of this act, wrecked, sunk, lost, or abandoned, or found, or recovered in, on, or beneath the sea, or on the shore, at home or abroad.

"The society may from time to time do or join in doing all such lawful things as they think expedient with a view to further salving from the wreck of the Lutine, and hold, receive, and apply for that purpose so much of the money to be received by means of salving therefrom as they from time to time think fit, and the net money produced thereby and the said sum of twenty-five thousand pounds shall be applied for purposes connected with shipping or marine insurance, according to a scheme to be prepared by the society and confirmed by order of her Majesty in Council, on the recommendation of the Board of Trade, after, or subject to such public notice to claimants of any part of the money aforesaid to come in, and such investigation of claims and such barring of claims not made or not proved, and such reservation of rights as the Board of Trade think fit."

The third and last of the clauses referred to, that of giving power to make agreements with other societies, opening up a somewhat wide field of operations for the Lloyd's of the future, runs as follows:—

"The society, and any other society, association, or corporation instituted for purposes connected with shipping or marine insurance, may from time to time enter into and carry into effect such agreements as they think fit for the incorporation with the society of such other society, association, or corporation, and for the transfer to the society of the property and funds, rights, and liabilities, and officers and servants of such other society, association, or corporation, and for other the incidents and consequences of such incorporation; but no such agreement shall have effect unless and until it is confirmed by order of her Majesty in Council, on the re-

commendation of the Board of Trade, whereupon it shall have the like operation, as if the terms thereof had been enacted in this act; and no such agreement shall be recommended for confirmation as aforesaid, if by virtue thereof the society would acquire any power or authority different from the powers and authorities conferred on the society by this act."

Attached to the act for the incorporation of Lloyd's is a schedule giving "the fundamental rules of the society." They are five in number, namely,—

"1. There shall be underwriting members and non-underwriting members.

"2. A non-underwriting member shall not underwrite in his own name at Lloyd's or empower another person to underwrite for him at Lloyd's.

"3. All underwriting business transacted at Lloyd's shall be conducted in the underwriting rooms and not elsewhere.

"4. An underwriting member shall not, by himself or by any partner or other substitute directly or indirectly, underwrite in the city of London a policy of insurance as follows:

"In the name of a partnership or otherwise than in the name of one individual (being an underwriting member of the society) for each separate sum subscribed; or,

"For the account, benefit, or advantage of any company or association unless they are subscribers to the society, nor unless every policy underwritten for their account, benefit, or advantage is underwritten in their ordinary place of business.

"5. A member shall not open an insurance account in the name of any person not being a member or subscriber."

The election of members of Lloyd's is subjected under the bye-laws of the society to the following regulations:—

"Every person desirous of becoming a member of the society must procure a recommendation signed by six members, who must attend the committee, if required, to answer such questions as may be put relative to the candidate.

" The names of candidates, together with their addresses and denominations, and the names of members recommending them, shall be posted in a conspicuous place in the rooms, seven days at least before the day of election.

" Members shall be elected by a majority of the committee present at the meeting at which their names are brought forward for election, and the votes shall be taken by ballot.

" Any person elected as a non-underwriting member must, if afterwards desirous of becoming an underwriting member, procure a new recommendation for election, and proceed in all respects as if he were not a member."

It is provided by other regulations that the committee may grant admission to the rooms to annual subscribers, who enjoy such privileges as the committee from time to time determine. The election of annual subscribers is conducted, in respect to recommendation, notice of election, and ballot, in the same manner as that of members, with the exception that the recommendation may be signed by annual subscribers.

The rules further provide that " every member and annual subscriber shall, with the sanction of the committee, be allowed to have one or more substitutes, such substitutes being either partners or clerks of the member or annual subscriber. The names of the substitutes must be submitted to the committee for approval, and, when approved, the member or subscriber is supplied with a ticket of admission for his substitute. All substitutes shall be under the immediate control of the committee, who may at any time, at their absolute discretion, withhold from any substitute the power of entry to and use of the rooms."

The payments of the members of Lloyd's, fixed under the Act of Incorporation, vary in some respects, according to their date of admission. All underwriting members pay the same, namely, an entrance fee of £100 with an annual subscription of twelve guineas, and five guineas for each substitute. Non-underwriting members, if elected before the 1st of January, 1871, paid no entrance fee, and their

annual subscription is four guineas, with four guineas more for each substitute. On the other hand, non-underwriting members elected after the 1st of January, 1871, had and have to pay an entrance-fee of £25, and an annual subscription of five guineas, with five guineas likewise for each substitute. If a non-underwriting member, elected previously to the 1st of January, 1872, is admitted as an underwriting member, he has to pay an entrance-fee of £25, and if admitted an underwriting member after the 1st of January, 1872, an entrance fee of £75. In addition to the entrance fees and subscriptions, each member of the corporation, whether underwriting or not, has to pay five guineas each year for a seat, that is, for a fixed place in the rooms. Annual subscribers of Lloyd's, who, as before defined in the charter of incorporation, stand on quite a different footing from members—being, in fact, mere visitors admitted to the rooms, generally for reading the papers or collecting shipping news—have to pay an annual subscription of five guineas, and the same amount for each substitute. Both non-underwriting members and annual subscribers are, under the bye-laws of the corporation, forbidden to underwrite any policy of insurance, either at Lloyd's "or elsewhere in the city of London," whether in their "own name, or for the benefit of any other person, or of any company, association, or partnership."

The number of members of Lloyd's amounted to 710 at the end of October, 1875, of which 452 were underwriting, and 158 non-underwriting members. About one half of the members pay for substitutes, frequently for two, and in some instances for three and even four. Besides its members, the corporation had, at the date mentioned, 667 annual subscribers, the number including nineteen British and eleven foreign and colonial marine insurance companies, some of them paying £400 a year for special information, conveyed to them unceasingly, and nineteen other companies and associations. There is, probably, no society or corporation in existence in which the hereditary element is so strong as in

Lloyd's. Most of the names found in the old minute-books of Lloyd's a century ago still stand in the list of members, and of the more prominent names connected with the history of the ancient institution the only one missing is that of Angerstein, still represented, however, by his partner, Mr. Francis Rivaz, admitted to the "Coffee-house" in 1814, or upwards of sixty years ago. Besides the recurrence of the same names in the list of members for more than a century, the hereditary element is curiously expressed in the number of individuals of the same family who continue members. There are, only to mention a few families, four of Adams, four of Bradford, seven of Burnand, five of Duncan, three of Fenning, three of Janson, five of Ross, and five of Secretan. But perhaps the most remarkable feature in the element here characterized is the long term during which many members have been associated with Lloyd's. At the date before cited there were no less than twenty members entitled to celebrate their "golden wedding" to the society. They were, in the order of their admission, Mr. Crawford D. Kerr, elected 1811; Mr. William Gibbs and Mr. Robert A. Gray, both elected in 1812; Mr. Francis Rivaz, already mentioned, and Baron John Benjamin Heath, both elected in 1814; Mr. William Ellis, elected in 1816; Mr. N. Griffiths and Mr. William Harrison, both elected in 1817; Mr. Thomas Chapman, the founder and continuous chairman of Lloyd's Registry, elected in 1820; Mr. William Faith, Mr. Alfred Janson, and Mr. George C. Wiltshire, all three elected in 1821; Mr. Willis Coventry, elected in 1822; Mr. George Burnand, elected in 1823; Mr. John P. Kennard, Mr. Charles Marryat, Mr. James Shepherd, and Mr. John Simpson, all elected in 1824; and finally, Mr. Fredk. Fatt, and Mr. Alex. G. Milne, both elected in 1825. It cannot be questioned that longevity has its home on the first floor of the Royal Exchange.

The total receipts of the corporation for the year ending 31st December, 1874, amounted to £45,879 17*s.* 5*d.*, while the expenditure left a balance of £474 6*s.* 1*d.* The chief

source of revenue of the corporation, that from subscriptions, including entrance fees of members, and the annual payments from subscribers and substitutes, produced £25,033 12*s.* in the year 1874. The receipts for supplying shipping intelligence during the year, the next important source of revenue, amounted to £4,128 2*s.* 3*d.*, and the income from investments, third notable item, was £2,836 10*s.* 8*d.* At the end of 1874, the investments of the corporation were as follows :—

£	*s.*	*d.*	Investments.	Net produce in 1874. £	*s.*	*d.*
50,000	0	0	Three per cent. Consols.	1,484	7	6
30,723	3	5	New Three per cent. Annuities, Salvage per "Lutine" Fund . .	912	2	1
5,000	0	0	Midland Railway Debenture Stock . . .	205	2	6
			Interest on Bank Deposits	234	18	7
Total £85,723	3	5		£2,836	10	8

The principal branches of expenditure of the corporation during the year 1874 were for management and intelligence. The expenses of management amounted to £12,686, the largest item being £9,323 for salaries of clerks, waiters, and messengers, while the procuring of intelligence cost no less then £10,370 7*s.* 3*d.*, distributed as follows :—

	£	*s.*	*d.*
Newspapers, English and Foreign . .	908	15	7
Shipping Intelligence received by Post, &c.	2,345	11	2
Telegrams, British	1,230	13	11
Ditto, Foreign	5,549	6	4
Postage	336	0	3
Total	£10,370	7	3

The cost of the intelligence department of the corporation is ever growing, with the extension of shipping and navigation, and the increase of land and ocean cables, which place the underwriters' rooms in instant connection with the furthest corners of the globe. It is both a necessity and the pride of the corporation to have always, at whatever cost, the latest intelligence, so as to maintain the position held as far back as 1740, when the "Master of Lloyd's Coffee-house," supplied Sir Robert Walpole with important news. Then, as now, after the coming and going of two score of prime ministers, many a government has got information from the underwriters, fully sharing the confidence of the public in news "posted at Lloyd's."

In the Act of Incorporation of Lloyd's there are, as before stated, three main objects given as those for which the society exists, namely, first, "the carrying out of the business of marine insurance;" secondly, "the protection of the interests of the members;" and, thirdly, "the collection, publication, and diffusion of intelligence and information with respect to shipping." Of these three objects, the last, always a leading one, has at present become the most important, forming the basis of all the rest. The intelligence department of Lloyd's, improved by and going apace with the progress of modern science acting upon locomotion and intercommunication, has gradually assumed features unsurpassed in their kind, and so indispensable not only to marine insurance, but to every business connected with shipping, that, even if all underwriting was to cease in the rooms of the Corporation, its continued existence would be an absolute necessity to the commercial world.

The machinery of the intelligence department consists, in the first instance, of about 1,200 representatives of the Corporation, known as Lloyd's agents, stationed in every town and port of the globe frequented by ships, who send every information regarding their arrival and departure, as well as notice of wrecks, casualties, and other occurrences, at once, and by the quickest route, telegraphic or otherwise, to

the Royal Exchange. As the appointment of Lloyd's agent has substantial advantages, besides conferring a social position, it is much coveted by merchants of influence, and only highly respectable persons are chosen, the nomination resting with a special committee of Lloyd's. The information thus procured is in general of the most trustworthy kind; still, it is sifted by the staff in the secretary's office, and, if believed to be correct, placarded in the rooms for the inspection of members, and sent round to certain subscribers, at home and abroad, and afterwards published in "Lloyd's List." The English marine insurance companies, subscribing, as before mentioned, largely to the funds of the corporation, have messengers with shipping news sent every ten minutes during the day; while at the same time the telegraph wires not only flash their reports into the secretary's office, but take them away again to other centres of maritime intelligence in connection with Lloyd's, to Liverpool and Glasgow, Havre and Hamburg. The offices for the reception and distribution of ships' reports are open day and night throughout the year, and the rise and fall of the tides and flow of the waves of the sea are not more unceasing than is the working of the intelligence department at Lloyd's.

Practically, the place for the time being, as well as the condition of almost every vessel in the British mercantile navy, and of a vast number of foreign ships besides, are always known at Lloyd's, that is, known as quick as it is possible, by steam and telegraph, to transmit the news. To ascertain the place of a ship, "when last heard of," there is a very ingenious literary contrivance, embodied in twelve folios of the largest dimensions, shortly called "the Index." It was first commenced in 1838, the inventor, or designer, being Mr. James Bischoff, for some time a member of the committee of Lloyd's. Mr. Bischoff, having constantly occasion to consult the files of "Lloyd's List," to discover the whereabouts of vessels in which he was interested, was struck by the idea that an immensity of labour might be

saved by carefully indexing the contents, keeping the record from day to day, under the simple headings of the ships' names. The idea, like all new ones, not finding favour immediately, Mr. Bischoff boldly carried it into practice on his own account, supplying a good-sized ledger from his office for the alphabetical entry of all the vessels named in "Lloyd's List," and with it an intelligent clerk to undertake the compilation. Once drawn up, the members of Lloyd's greatly liked "the Index," which they found extremely useful, and it was arranged thereupon that the society should take the work in hand, and pay for its being well done. At Mr. Bischoff's recommendation, Mr. William Bailey—still superintending the work, after the lapse of more than a generation—was appointed compiler of the Index in 1839, and for some years did the work alone, gradually improving it in all its features. When the single volume of contents had grown into, first two, then three, and then four and more books, each larger in size than its predecessor, the Index staff had to be increased likewise, till at present Mr. Bailey has four assistants under him, working all day long in chronicling the movements of about 60,000 ships all over the world in two rows of gigantic metal-bound volumes, which are never without examiners while the doors of Lloyd's are open. In its actual state the Index, compiled in annual divisions, is a marvel of clever arrangement, the merest glance being sufficient to get the information respecting the movements of any vessel. Behind the name of each, stand the dates at which the vessel has left or arrived at any port, or been spoken with, or met with some accident, the arrivals being entered in black ink, the sailings and speakings in red ink, and other paragraphs in blue ink. The records of the Index—as complete in their way as those stored in Somerset House, in huge red, black, and green volumes, containing the registers of births, deaths, and marriages—form the sole existing time-tables of the British mercantile navy.

Next to the movements of vessels, and their condition when last examined—the latter minutely noted in Lloyd's Registry—there is nothing of greater importance in wishing to ascertain the chances of a good voyage, than the character of the ship's commander. For this, too, there is provision at Lloyd's, as complete as it is unique. On a row of shelves, close to those bearing the volumes of the "Index," there stand a dozen equally large volumes, entitled "Lloyd's Captains' Register." The "Captains' Register" is nothing less than a biographical dictionary of the whole of the certificated commanders of the British mercantile navy, to the number of about 25,000, the account of each being compressed in the smallest possible form, yet showing all that is necessary to judge of the character and capacity of each individual. The information for compiling the Register, and keeping all facts contained in it corrected to the latest date, is furnished exclusively to Lloyd's from the records of the office of the Registrar-General of Shipping and Seamen, and is supplied under the authority of the Board of Trade. Every week brings its budget of changes, averaging upwards of 70,000 per annum, occasioned by the entry of new persons into the service, deaths, removals, and so forth. Inserted in the Register are the names of all those persons who hold certificates of competency or of service as master, whether serving as such or as mates, and only those are excluded from the list who have not seen service for five years. The information given contains the full name of the individual, the place and date of his birth, the port at which he was examined, with the date of his examination, the names of the ships in which he served, whether as master or mate—the latter being marked by names printed in italics—since the receipt of his master's certificate, and, finally, the time he served in each, together with the trade in which the ships were engaged. The following is a specimen of Lloyd's naval biographies, recording the services of a well-known "old tar," who has ferried hundreds of thou-

sands across the Channel without the loss of a single life.

> **PAUL, James Robinson.** Dover, 1807.
> (S. 45,446.)
> *Princess Clementine*, 17,306, 1855, 1861, C t. *Princess Maude*, 1856, C t. *Lord Warden*, 17,308, 1856–61, 1863, 1864, 1865–6, C t.—Received a gold medal from the French Government for gallantry in saving life at sea on March 14, 1850. *Princess Helena*, 17,303, 1861, C t. *Victoria*, 43,930, 1861–2, C t. *Albert Edward*, 45,021, 1862, 1863, 1864, C t. *Alexandra*, 50,032, 1864–5, 1866, 1867, C t. *Napoleon III.*, 54,592, 1866–7, 1868, C t. *Alexandra*, 50,032, 1869–71, C t. *Napoleon III.*, 54,592, 1872–74, C t. *Alexandra*, 50,032, 1874–75, C t.

Very little explanation is required to make the paragraph, with its abbreviations, intelligible to all. Captain James Robinson Paul obtained his master's certificate at Dover, in 1807, and obtained—so says the letter S—a certificate of service for the vessel officially numbered 45,446 in the Mercantile Navy List. The rest gives the names of the ships, with their official numbers, in which Captain Paul served, always as master—shown by none of the names of the ships printed in italics—and the time of his services, the letters C t., after the years, standing for "coasting trade," defined officially as circumscribed abroad by "ports between the limits of the river Elbe and Brest." It is scarcely necessary to remark that there are many biographical accounts in "Lloyd's Captains' Register" by no means flattering to the individuals described. The short word "lost," with date attached, occurs frequently more than once under the same names, which, if collected, would extend to a considerable black list of "unseaworthy sailors."

The marvellous organization of its intelligence department, which is getting more and more perfected as time goes on, has virtually made Lloyd's at present the focus and centre of the world's sea-borne trade and commerce. Under the latest arrangements, telegraphic information arrives in the rooms every hour, and almost every minute, in the day, conveying reports of the arrivals and sailings of all ships, whether English or foreign, from Gravesend, Deal, Falmouth, Grimsby, Liverpool, North Shields, Lynn, Hull,

Plymouth, Bristol, Scilly, Dundee, Greenock, Leith, Grangemouth, Dublin, Belfast, Crookhaven, Dundalk, Limerick, Queenstown, Waterford, Wexford, Cardiff, Gloucester, Southampton, Sunderland, Swansea, and Barrow. The arrivals alone are telegraphed, first, as regards North America, of all vessels from the United Kingdom, Africa, Asia, Australia, and New Zealand at New York, Boston, Philadelphia, New Orleans, and San Francisco; secondly, as regards Africa, of all laden vessels from the United Kingdom at Algoa Bay, Table Bay, and other ports in Natal and the Cape Colony; thirdly, as regards Asia, of all laden vessels from Europe and United States at Hong Kong, Shanghai, Singapore, Yokohama, Bombay, Calcutta, Madras, and Colombo; and fourthly, as regards Australasia, of all vessels from the United Kingdom and United States, and all laden vessels from India and China at Melbourne, Sydney, Adelaide, Brisbane, Hobart Town, and Launceston. Telegraphic reports of the arrivals of all homeward-bound vessels from Asia and Australasia arrive, likewise, from St. Helena; and there come in, also, constant lists of the vessels passing through the Suez Canal. Besides this unceasing record of the movements of some 60,000 ships that cross the seas of the globe in all directions, the host of Lloyd's agents and sub-agents are enjoined to supply instant communication of all losses and casualties from every part of the world, and it often happens that the news of a shipwreck is placarded in the rooms within a quarter of an hour after the event.

The immense amount of intelligence constantly flowing into Lloyd's is not only freely communicated to all members and subscribers, to many companies, and to the press, but is most liberally placed at the disposition of the humbler classes of the community interested in shipping and the movements of vessels. There is a special room on the ground floor of the Royal Exchange, facing the Bank of England, where the wives, daughters, and, may be, sweethearts of sailors, may get information at any time, of the

whereabouts of vessels containing among the crews the one more cared for than all the thousand millions of the earth. The information is given quite gratuitously, and if, as is frequently the case, the inquirers cannot bring sufficient information with them to distinguish the "Mary Ann" in which John Smith sailed, from the 200 "Mary Anns" in Lloyd's huge Index, every amount of trouble is taken to ascertain, by diligent research for dates of sailing, the exact vessel sought for by the poor visitors. The members of Lloyd's—successors of the founders of the Patriotic Fund—may indeed boast that liberality with them is a tradition, and the proud words spoken by Mr. Joseph Marryat in the House of Commons, sixty-five years ago, are as true as ever: that the members "in promoting their own interests have always promoted those of their country."

APPENDIX.

The following attempt to classify risks has been made and kindly placed at my disposal by a member of Lloyd's. It is printed here in the hope that it may induce further investigation into this branch of the subject.

IN the hope that a few comparisons between current rates of premium, and the proportion of loss and casualty attaching to the past voyages of sundry lines of steamers, may be of some use to underwriters at the present time, the writer presents the following statistics:—

I.—*African Mail Steamers.*

The steamers of the African Steamship Company commenced running to the West Coast of Africa in the year 1858. Nine sailed in that year, and one every month of the succeeding years up to 1866. In 1867, the present bi-monthly service commenced. These voyages, together with those of the extra boats despatched from time to time, make a total of just 300 sailings up to the end of 1873. The British and African Steam Navigation Company commenced running steamers in 1869. These two companies have the entire mail service in their hands, and with the exception of a few trading steamers form the only communication by

steam between the United Kingdom and the West Coast of Africa. Of these steamers, 97 have sailed between 1869 and 1873, inclusive. The African Steamship Company have lost five of their vessels, viz., the "Armenian" (s.), stranded on Arklow bank in August, 1865, and the "Cleopatra" (s.), "McGregor Laird" (s.), "Yoruba" (s.), and "Nigretia" (s.), lost at different points on the African Coast in 1862, 1871, and 1873. The current premium is now 15*s.* per cent. on either goods outwards or produce homewards, against all risks. If, then, an underwriter had written £100 on each steamer, each way, belonging to these two companies, from the date of their establishment up to the end of 1873, after making the usual deductions for brokerage and discount, he would have had less than £10 left in hand wherewith to meet all his claims from craft losses and for average, both general and particular. For the last three years, however, the premium has only been 12*s.* 6*d.* per cent., so that the whole of this business during the sixteen years from its commencement must have been carried on at a considerable loss to the underwriter. Probably a rate of 15*s.* per cent. on goods discharged at Sierra Leone, 20*s.* per cent. on goods discharged at Cape Coast Castle and intermediate ports, and 25*s.* per cent. at ports beyond, would be a barely remunerative one for the future, and even then leave nothing to the underwriter to compensate for the balance at present against him. It is to be borne in mind that these steamers are advertised to call at or off no less than from twelve to fifteen ports on both the outward and homeward passage, if needful, and that Monrovia, Cape Palmas, Cape Coast Castle, Accra, and Lagos are all open roadsteads. We have also taken no account of the total loss in 1873 of the small branch steamer "Kwara," which had some portion of outward goods on board of her at the time.

We have hitherto been considering the case of cargo shipped by either of these two lines of steamers, in which the nearly one hundred safe arrivals of the British and African Steam Navigation Company come to the assistance

of the African Steamship Company. But it is in the policies on the hulls, &c., of the steamers belonging to the latter company that the greatest inadequacy of premium presents itself. During the last few years we find that the average amount of work done by these steamers has been $3\frac{1}{2}$ voyages in the twelve months (stated exactly 3·6), and that they have not on an average been "laid up" for more than one period of thirty days during the same time. We may thus presume that in order to cover them by insurance for the whole 300 voyages, 84 policies, or fractional parts of the same, must have been in force. Averaging the claims from collision and all other causes at 5*s.* per cent., and making allowance for premium recoverable for the monthly periods in ports, a gross premium of $8\frac{1}{2}$ guineas would have left the underwriter less than 15 per cent. profit. They are now insured at a gross premium of 7 guineas, and in 1872 were covered at £6 per cent., with 15 day returns, this last being a provision greatly to the disadvantage of the underwriter as compared with those for 30 days, as will be seen in a moment by an examination of the arrivals and sailings of these vessels.

The preceding figures may serve to point out the gross inadequacy of premium both on cargoes by the two lines of African mail steamers to the different ports on the West Coast of Africa, and on the bodies of the steamers themselves. About the same time a rise of 2*s.* 6*d.* per cent. took place on the voyage premiums. How insignificant such a rise was to bear even present liabilities without doing anything towards meeting past arrears of premium, is well illustrated by the fact that within the year 1874 about 60 sailings took place on this voyage (57 of the steamers of the two regular lines and apparently three others). Of these we have the "Liberia" (s.), belonging to the British and African Steam Navigation Company, which has never been heard of since she sailed on the 11th April, and the "Monrovia" (s.), which was apparently totally lost at Lagos in January of the present year, having sailed from

Liverpool on the 28th November, 1874. This steamer has since been got off, and may yet arrive at Liverpool, but we apprehend that of the portion of outward cargo on board at the time there will be little or no salvage. In our previous notice of these risks we were also unaware of a particular average claim upon this same steamer to the extent of nearly half her value in 1873. In addition to these two, we have the "Soudan" (s.), totally lost at Madeira in this year, but as she sailed in January we must not now take notice of her loss. Underwriters seem wonderfully incompetent to take care of themselves. Even now outward cargoes by these steamers can be insured to the last of the many ports at 30*s.*

II.—*Pacific Steamers.*

As is well known, it is only of late years that any direct communication between this country and the West Coast of South America has been carried on by steam. In the latter months of 1868 the Pacific Steam Navigation Company despatched their first steamers. Two sailed in that year; since which time the trade has rapidly increased, and up to the end of 1873, including the steamers of the White Star Line, which commenced running in October, 1872, 164 have sailed on this voyage, including those leaving Liverpool to be employed up and down the West Coast. Within the same period, 133 have sailed homewards. The current premium free of particular average, either way, has been 20*s.*, or 17*s.* 1*d.* net, amounting on £100 on each of the 297 sailings to £254. There have been three total losses, the "Santiago" homeward in 1869, the "Tacora" outwards, and the "Dover Castle" homewards, both in 1872. This premium has therefore left a loss of 18 per cent., without taking into consideration the small claims arising out of the 20 or 25 minor accidents which befell the other voyages.

III.—*Autumn Baltic Steamers.*

On the voyages considered under the first two headings, nothing in the seasons, or the nature of the cargoes, points to there being any material difference between the risk attaching to an outward and a homeward voyage; but under this head we are met at once by the fact of more than double the number of losses homewards in proportion to the number of sailings. In order that we might not be comparing together risks essentially different, we have examined into the nature of the cargoes carried to Cronstadt and Reval from ports in the United Kingdom, and find that those conveyed from the four ports of London, Hull, Grimsby, and Leith have been, with very small exception, always general. We have, therefore, instituted our inquiry into steamers sailing between these six ports, both outward and homewards, from the 1st October to the end of the season. Of these, during the ten years between 1863 and 1872, inclusive, we learn that 332 have sailed altogether, and of these only three have been totally lost, viz., the "Lion" (s.), to Cronstadt in 1868, and the "Kent" (s.) and "Edward Hawkins" (s.), to Reval in 1872, while six others have met with somewhat important casualties, such as collision or temporary stranding, but which did not prevent their subsequent arrival. Making all deductions and a small allowance for these casualties, and for general averages, &c., an average premium of 30*s.* per cent. on interest free from, or not liable to, particular average, would have fairly remunerated the underwriter. It is, however, to be borne in mind that in the first week of October, 1860, three fine outward-bound steamers, the "Edinburgh," "Arctic," and "Moscow," were all lost in one gale, and in 1867 the "Danish Queen" was burnt, which sailed on the 30th of September. Our first result must therefore be accepted with some caution.

But when we come to the homeward voyages we find that there have been twelve total losses and thirteen serious

casualties out of 649 sailings. The names of the former are as follows—the "Ladoga" (s.) and "Cronstadt" (s.), lost in 1864; the "Czarina" (s.), in 1865; the "Earl de Grey" (s.), "Milbanke" (s.), "Christian IX." (s.), and "Lincolnshire" (s.), in 1866; the "Araxes" (s.), in 1869; the "Burriana" (s.) and "Bolderaa" (s.), in 1870; the "Emma Ash" (s.), in 1871, and the "Malta" (s.), in 1872. These, together with the casualties, would have required an average premium of about 60*s.* to remunerate the underwriter. Weighed in this balance we are afraid that the current homeward rates would be found much wanting. The great difference between the proportion of loss on the outward and homeward voyage also points to the dangerous nature of a grain cargo when insufficiently secured, six out of the twelve losses having been founderings.

IV.—*Steamers from Hankow.*

As is well known to all our readers, the whole of the tea shipped from Hankow for Europe is transhipped at Shanghai, with the exception of the new season's teas, which are sent direct in the few steamers that ascend the river for this purpose. During the six years between 1868 and 1873, inclusive, there have been in all only twenty of these direct shipments in steamers, of which two have been totally lost—the "Parnassus," in 1872, and the "Drummond Castle," in 1873, each having a cargo of very great value. It is manifest at once how large an advance should be made in the premiums upon this class of risk, both to make good a little at least of the very heavy loss underwriters have sustained by them, and as some compensation for the enormous values so suddenly thrown upon them.

V.—*Suez Canal and Indian Steamers.*

The results of the Suez Canal, which completed the fifth year of its existence in 1874, are necessarily of high interest. From the last figures obtainable, we are enabled to sum up

all the losses and casualties that have taken place upon this new route to the East during a space of four and a half years. We have divided these into four heads—China, Calcutta, Bombay, and steamers to and from the Riee Ports, Java, Ceylon, and the Malabar and Coromandel coasts. Voyages to and from Manilla and the Persian Gulf may be considered separately. Each one of the above four headings presents us with a loss, so far as regards an *even* line, upon every steamer sailing thereto or therefrom, at the current rates of premium at which they have been insured. It is, of course, possible that this may have been rectified in many individual instances, either by limiting insurances to cargoes by vessels of those owners who have never sustained a loss, or by giving a great preference in point of line to some owners over others. This only goes to prove that there is but a portion of the trade that is worth touching, and unless we are acquainted with its general results, we shall be at a loss how to estimate the increase or diminution of rate that may justifiably be made to meet special cases.

The first point that strikes one, under each head but that of Bombay, is the enormous difference in result between the outward and homeward voyages. Thus, of steamers carrying general cargoes out to Calcutta there have been but two lost—the "Delaware" (s.) in 1871, and the "Dhoolia" (s.) in 1873; while six have been lost upon the return voyage—the "Aral" (s.) in 1872, and the "Azalia" (s.), "Agra" (s.), "Woosung" (s.), "Arcturus" (s.), and "Queen Elizabeth" (s.) in 1873. The whole number of voyages *out* has been 298, and *home* 274; thus allowing 20 per cent. for brokerage, discount, and expenses, and setting aside, say, £50 upon the line of £100 to meet the claims arising out of the minor accidents which befell about a dozen of the other voyages each way, we find that while a premium of 25*s.* would have left a profit of 15 per cent. on a line of £100 by each steamer, it would have taken no less than 70*s.* per cent. to have brought about a like result upon the homeward passage, the interest in each case being presumed to be

such as would either be free from, or not liable to, particular average.

And when we add to this estimate the greatly increased value of the homeward cargo, and the practical impossibility of regulating lines upon this voyage, and the fact of the average premium on interest free of average having been throughout the four and a half years in question less than one-third of the above rate, we shall see at once at what a ruinous loss to underwriters this business has been carried on. We must also note the loss in 1873 of the "Calcutta" (s.), which does not appear in the above calculation, as at the moment when she was run down in the Hooghly she had on board an inward cargo of rice from Sonapore. In the above estimate also the steamers belonging to Messrs. Green, of Blackwall, and Messrs. G. Smith and Sons, of Glasgow, have not been included, as underwriters have always given them a preference in point of premium. These have made altogether forty-seven successful voyages within the four and a half years.

In like manner, of the steamers sailing out to China, one has been lost, the "Don" (s.) in 1870, four have met with serious accidents, and about ten with lesser ones upon a number of voyages amounting in all to 201. Homewards, however, we have no less than five losses and two accidents of an important kind (with five smaller ones) on 174 voyages. While, therefore, a premium of 30*s.* outward would have paid well, it would have taken nearly £5 per cent. to have left a fair profit homewards, and that without taking at all into consideration the values of silk and tea cargoes. The five losses homeward were the "Parnassus" (s.) in 1872, the "Drummond Castle" (s.), "Singapore" (s.), and "Canton" (s.) in 1873, and the "Gordon Castle" (s.) in 1874. In the above calculation Messrs. Holt's steamers have not been taken into account, as underwriters have from the first given them a preference in point of premium over all others, except those of the Peninsular and Oriental Company, a preference fully justified by the successful issue of no less

than 96 voyages within the four and a half years. To and from Manilla the line of Spanish steamers have made 15 voyages out and home within the same time, but of these, one was temporarily sunk at Liverpool through collision in 1872, and a second has still to face an allegation of liability for the loss of the "Wyberton" (s.). If we also class together all voyages to and from the Rice Ports, Java, Ceylon, and the Malabar and Coromandel coasts, we find that, out of a little under 100 voyages outwards, one presents us with a total loss, viz. that of the "Wyberton" (s.) in 1874, and of about 140 voyages home, we have the two losses in 1873 and 1874 of the "Arracan" (s.) and "Tennaserim" (s.). This head, therefore, at the current rates, is as much in the rear as the others.

Again, from the Persian Gulf and Kurrachee, we have the losses of the "Ispahan" (s.) and the "Isa" (s.), in 1871 and 1870, coming against a number of voyages materially under 50 either way. Neither does the more fortunate head of Bombay really do much to relieve the dismal picture, as we have the two losses outwards in 1871 and 1873, of the "Breadalbane" (s.) and "Collingwood" (s.), against 240 voyages, and of the "John Dryden" (s.), homewards, in 1870, upon 320 homeward voyages. The lighter cargoes of cotton seem thus a favourable element in comparison with those from some other places.

We hope, however, enough has been said to show that while 25*s.* and 30*s.* would have been a barely remunerative rate to Bombay and Calcutta, free of average, by the ordinary run of steamers, and 30*s.* to 35*s.* to the lower and upper ports of China, all the homeward risks, with the single exception of Bombay, have been perfectly ruinous. In addition to the considerations of value, and of the impossibility of selecting particular steamers, there would seem to be a much greater risk and difficulty in making the Red Sea from the Indian Ocean than in issuing from it, as so many losses have taken place in this neighbourhood.

VI.—*Autumn Quebec Risks.*

Having had occasion lately to trace out the results of nearly 7,000 voyages between Quebec and this country, with a view to ascertain the effect of the carriage of deck-loads during the fall of the year, a favourable opportunity presented itself for ascertaining the lowest rates of premium that would prove fairly remunerative on this voyage at this season of the year. As is well known to all underwriters, many casualties, as well as abandonments and total losses, are of frequent occurrence in the autumn months. To find out the precise pecuniary result of every shipment in an underwriting point of view would, of course, be impossible; but the whole number, as recorded in "Lloyd's List," have been carefully gone through and estimated by a gentleman who has probably had a larger experience of these risks than any one else, and it is believed that, on an average, the results given below must approximate very closely to the exact truth. Between 1850 and 1859, inclusive, during the month of September, when no deck-loads were allowed to be shipped, there sailed from Quebec to this country 984 vessels, the premiums upon which voyages, on a line of £100 by each one, must have had to bear claims to the amount of £1,470. Thus, making all allowances, an average premium of 40*s.* would have almost covered an underwriter's loss, or to enable him to make a reasonable profit 50*s.* would have been necessary. But when we turn to the deck-loading period, between 1863 and 1872, we find that on 1,027 voyages we have to make good £1,940. This would require an average premium of 60*s.* instead of 50*s.*, which estimate tallies with the rates that have recently been current of 40*s.* on cargoes by ships sailing by the 1st of September, 60*s.* by the 15th, and 80*s.* by the end of September, a rate which it is clear it would on no account be safe to go below, for we must remember that shipowners are now perfectly unfettered as to carrying deck-loads during this month. Dealing with the month of October in like manner, we find that between

1850 and 1859, 1,925 voyages had to bear a loss of £5,700. This points to an average premium in that month of 90*s.*, whereas in the deck-loading years (1863-72) 1,403 voyages have to bear £5,930 of loss. This would give a premium of £6 6*s.* on October sailings. As is well known, the present Dominion law as to deck-loading enables a shipowner to carry 3 feet of deals on deck after the 1st of October. This is, doubtless, a great element of safety, but still these lighter deckloads are very frequently either thrown or washed overboard. We may thus, perhaps, estimate the premium at a figure half-way between the two, or, say, £5 10*s.* This would point to about 80*s.* or 90*s.* for the 1st of October, and £7 or £7 7*s.* for the last week. But it is when we come to the November sailings, and those that occasionally take place during the early days of December, that we are at once struck with the almost hopeless nature of the risk. Even between 1850 and 1859 866 voyages had to bear £5,230 of loss, thus requiring an average premium for that month of nearly £9. And between 1863 and 1872 we find that 634 voyages cost no less than £6,140, an amount of disaster that would have been hardly more than covered by a premium of £12 12*s.* It would thus be clearly unsafe at the present time to insure these risks under rates almost prohibitory, say from £11 to £12 per cent.

Some have imagined that the above figures hardly represent the truth, from the circumstance of small vessels, say those under 400 tons, being much more exposed to accident in the Atlantic than those of a larger size, and that therefore a more than proportionate amount of loss must have fallen upon these. But facts do not warrant such a supposition. A comparison between the results of voyages made by vessels respectively under and over 400 tons, gives us a result actually in favour of the former between 1850 and 1859, and but slightly against them during the deck-loading period between 1863 and 1872, thus affording little or no ground for the selection of larger vessels, unless, perhaps, during the last months of shipment.

A Table compiled from the Wreck Register of the Board of Trade, showing the Numbers and Totals with the percentages thereon, of Wrecks and Casualties (excluding Collisions) and of Collisions (only) reported to the Board of Trade during the year 1873-74 *as having*

	Wrecks and casualties (other than collisions) reported in 1873-74.				Collisions (only) reported in 1873-74.			
	Numbers.		Percentages.		Numbers.		Percentages.	
	Total loss.	Partial loss.	Total loss.	Partial loss.	Total loss.	Partial loss.	Total loss.	Partial loss.
United Kingdom . .	346	1076	27·48	35·14	62	319	70·45	51·29
Europe	98	174	7·78	5·68	2	84	2·27	13·50
Asia	49	43	3·89	1·40	6	22	6·82	3·54
Africa	53	31	4·21	1·01	1	25	1·14	4·02
North America . .	316	299	25·10	9·76	1	35	1·14	5·62
South America . .	20	21	1·59	·69	...	7	...	1·13
Polynesia (including Australia) . . .	91	77	7·23	·2·52	1	16	1·14	2·57
At sea (in all parts of the world) . . .	286	1341	22·72	43·80	15	114	17·04	18·33
	1259	3062	100·00	100·00	88	622	100·00	100·00
Summary of above, with missing vessels added:—								
Missing vessels . .	131	...	2·54	...	...		...	...
Casualties (not collisions)	1259	3062	24·39	59·32	...		...	...
Collisions (only) . .	...	...	...	...	88	622	1·70	12·05
Total casualties, &c. (not collisions) . .	1390	3062	26·93	59·32				
Total collisions only .	...	...	...	...	88	622	1·70	12·05
Analysis of wrecks and casualties which occurred at sea:— District.								
North Atlantic and Arctic Oceans . .	166	616	58·04	45·94	8	23	53·32	20·18
Caribbean Sea and Gulf of Mexico . .	7	11	2·45	·82	...	...	...	...
Baltic Sea, Cattegat, and Skager Rack.	3	36	1·05	2·68	...	13	...	11·40
North Sea	37	248	12·94	18·49	2	39	13·33	34·21
Bay of Biscay . . .	11	43	3·85	3·21	1	5	6·67	4·39
English Channel . .	8	72	2·80	5·36	1	11	6·67	9·65
Mediterranean and Black Seas and Sea of Marmora . . .	5	54	1·75	4·02	1	16	6·67	14·04
South Atlantic Ocean	10	57	3·50	4·25	1	3	6·67	2·63
Indian Ocean, Bay of Bengal, and Red Sea	21	101	7·34	7·53	1	2	6·67	1·75
North Pacific and China Seas . . .	9	33	3·14	2·46	...	...	...	...
South Pacific Ocean .	9	70	3·14	5·24	...	2	...	1·75
Total	286	1341	100·00	100·00	15	114	100·00	100·00

occurred to British and Foreign Vessels on or near the Coasts of the United Kingdom or of the British Possessions abroad, or to British Vessels elsewhere, and also the number of Missing British Vessels, with an analysis of the Number of Casualties to British Vessels at Sea. Compiled by Henry Feula, of Lloyd's.

	Totals reported in 1873-74.								Grand total reported in 1873-74.	
	Results.				Casualties.					
	Numbers.		Percentages.		Numbers.		Percentages.			
	Total loss.	Partial loss.	Total loss.	Partial loss.	Casualties, &c., not collisions.	Collisions (only).	Casualties, &c., not collisions.	Collisions (only).	Number.	Percentages.
United Kingdom . .	408	1395	30·29	37·87	1422	381	32·91	53·66	1803	35·84
Europe	100	258	7·42	7·00	272	86	6·29	12·11	358	7·12
Asia	55	65	4·08	1·76	92	28	2·13	3·94	120	2·38
Africa	54	56	4·01	1·52	84	26	1·94	3·66	110	2·19
North America . .	317	334	23·53	9·07	615	36	14·23	5·07	651	12·94
South America . . .	20	28	1·48	·76	41	7	·95	·99	48	·95
Polynesia (including Australia) . . .	92	93	6·83	2·52	168	17	3·89	2·40	185	3·68
At sea (in all parts of the world) . . .	301	1455	22·36	39·50	1627	129	37·66	18·17	1756	34·90
	1347	3684	100·00	100·00	4321	710	100·00	100·00	5031	100·00
Summary of above with missing vessels added :—										
Missing vessels . . .	131	...	2·54	...	131	...	2·54	...	131	2·54
Casualties (not collisions)	1347	...	26·93	...	4321	...	83·71	...	4321	83·71
Collisions (only) . .	...	3684	...	71·37	...	710	...	13·75	710	13·75
Totals	1478	3684	28·63	71·37	4452	710	86·25	13·75	—	—
Grand total	5162		100·00		5162		100·00		5162	100·00
Analysis of wrecks and casualties which occurred at sea :— District.										
North Atlantic and Arctic Oceans . .	174	639	57·80	43·92	782	31	48·06	24·03	813	46·30
Caribbean Sea and Gulf of Mexico . .	7	11	2·31	·86	18	...	1·11	...	18	1·03
Baltic Sea, Cattegat, and Skager Rack .	3	49	1·00	3·37	39	13	2·40	10·08	52	2·96
North Sea	39	287	12·95	19·63	285	41	17·51	31·78	326	18·56
Bay of Biscay . . .	12	48	3·99	3·30	54	6	3·32	4·65	60	3·42
English Channel . .	9	83	3·00	5·70	80	12	4·92	9·30	92	5·24
Mediterranean and Black Seas and Sea of Marmora . . .	6	70	2·00	4·81	59	17	3·62	13·18	76	4·33
South Atlantic Ocean	11	60	3·65	4·12	67	4	4·12	3·10	71	4·04
Indian Ocean, Bay of Bengal, and Red Sea	22	103	7·30	7·08	122	3	7·50	2·33	125	7·12
North Pacific and China Seas . . .	9	33	3·00	2·27	42	...	2·52	...	42	2·39
South Pacific Ocean .	9	72	3·00	4·94	79	2	4·92	1·55	81	4·61
Total	301	1455	100·00	100·00	1627	129	100·00	100·0	1756	100·00

A Table, compiled from the Wreck Register of the Board of Trade, showing the Numbers of British and Foreign Ships, distinguishing Sailing Vessels from Steamers, and Coasters from Over-sea, and their Percentages respectively upon the total number of Wrecks, Casualties,

	Numbers.					
	Ten Years' Average.			1873-4.		
BRITISH VESSELS.						
Registered in the United Kingdom.						
Sailing Vessels—Coasting Colliers	472	...	...	329	...	...
" " Other Coasters	697	...	...	706	...	...
" " Over-sea	460	...	...	456	...	...
		1629			1491	
Steamers—Coasters	98	...	...	128	...	...
" Over-sea	62	...	...	94	...	...
		160			222	
Vessels passing the United Kingdom, but bound from and to ports out of the United Kingdom	...	9	...	...	11	...
Total Registered in United Kingdom	...	...	1798	...	...	1724
Registered in the Colonies.						
Sailing Vessels—Coasting United Kingdom	...	6	...	...	7	...
" " Over-sea	...	29	...	...	29	...
Total Registered in Colonies	...	...	35	...	...	36
Total British Vessels	...	...	1833	...	...	1760
FOREIGN VESSELS.						
Sailing Vessels—In Coasting trade	...	16	...	...	9	...
" " Bound to and from British ports, but not in British Coasting trade	...	244	...	...	280	...
" " Passing United Kingdom, but bound from and to ports out of United Kingdom	...	48	...	...	50	...
Steamers	...	12	...	...	24	...
Total Foreign Vessels	...		320	...		363
Ships whose Country and Employment are unknown	...	...	57	...	...	68
Total	...	...	2210	...	...	2191

and Collisions on the Coasts of the United Kingdom for the Average of Ten Years ending 1873-4 *inclusive, and for the year* 1873-4 *respectively. By Henry Feula, of Lloyd's.*

	Percentages.					
	Ten Years' Average.			1873-4.		
BRITISH VESSELS.						
Registered in the United Kingdom.						
Sailing Vessels—Coasting Colliers	21·36	...	...	15·02	...	...
" " Other Coasters	31·54	...	...	32·22	...	...
" " Over-sea	20·81	...	...	20·81	...	...
		73·71			68·05	
Steamers—Coasters	4·43	...		5·84	...	...
" Over-sea	2·81	...		...	...	...
		7·24		4·29	10·13	...
Vessels passing the United Kingdom, but bound from and to ports out of the United Kingdom	...	·41	...	...	·50	...
Total Registered in United Kingdom	...	...	81·36	...	...	78·69
Registered in the Colonies.						
Sailing Vessels—Coasting United Kingdom	...	·27	...	...	·32	...
" " Over-sea	...	1·31	...	...	1·32	...
Total Registered in Colonies	...	...	1·58	...	...	1·64
Total British Vessels	...	...	82·94	...	...	80·33
FOREIGN VESSELS.						
Sailing Vessels—In Coasting trade	...	·73	...	...	1·10	...
" " Bound to and from British ports, but not in British Coasting trade	...	11·04	...	...	2·28	...
" " Passing United Kingdom, but bound from and to ports out of United Kingdom	...	2·17	...	...	12·78	...
Steamers	...	·54	...	...	·41	...
Total Foreign Vessels	...		14·48	...		16·57
Ships whose Country and Employment are unknown	...	...	2·58	...	...	3·10
Total	...	...	100·00	...	...	100·00

A Table compiled from the Wreck Register of the Board of Trade, showing the Numbers, and their Percentages on the whole number of Wrecks, Casualties, and Collisions on the Coasts of the United Kingdom, of the different Cargoes of the Vessels, for the average of Ten Years ending 1873-4 *inclusive, and for the year* 1873-4 *respectively. By Henry Jeula, of Lloyd's.*

Nature of Cargo.	Numbers.		Percentages.	
	10 years' average.	1873-4.	10 years' average.	1873-4.
Ballast, not Colliers	235	256	10·63	11·68
Coal	623	539	28·19	24·60
Colliers in Ballast	125	67	5·66	3·06
Cotton, Hemp, Jute	13	13	·59	·59
Fishing Smacks	125	165	5·66	7·53
Fish or Oil	29	15	1·31	·68
Grain, Oatmeal, Flour, and Provisions	146	131	6·61	5·98
General Cargo	93	110	4·21	5·02
Metallic Ores	140	138	6·33	6·30
Manure, Kelp, and Oilcake	57	75	2·58	3·42
Passengers and General Cargo	43	56	1·94	2·56
Potatoes and Fruit	27	34	1·22	1·55
Salt	40	43	1·81	1·96
Sugar, Coffee, Spices, Tea, and Molasses	16	14	·72	·64
Stone, Slate, Lime, Bricks, and Clay	142	175	6·43	7·99
Timber and Bark	104	161	4·71	7·35
Wine and Spirits	4	3	·18	·14
Various and unknown	248	196	11·22	8·95
	2210	2191	100·00	100·00

A Table compiled from the Wreck Register of the Board of Trade, showing the Numbers and Comparative Percentages for the different parts of the Coast on the Total Number of Wrecks, Casualties, and Collisions on the Coasts of the United Kingdom for the average of Ten Years ending 1873-4 *inclusive, and for the year* 1873-4 *respectively. By Henry Jeula, of Lloyd's.*

Part of Coast.	Numbers.		Percentages.	
	10 years' average.	1873-4.	10 years' average.	1873-4.
East Coast—Dungeness to Duncansby Head (inclusive)	885	716	48·98	39·71
West Coast—Land's End to Mull of Kintyre (inclusive)	447	545	24·74	30·23
South Coast—Dungeness to Land's End (exclusive)	222	241	12·28	13·37
Irish Coast	172	213	9·52	11·81
North and West Coast of Scotland—Mull of Kintyre to Duncansby Head, including Northern Islands, Hebrides, Islay, Orkney, Shetland, &c.	47	66	2·60	3·66
Isle of Man	17	7	·94	·39
Scilly Islands	9	10	·50	·55
Lundy Island	8	5	·44	·28
	1807	1803	100·00	100·00

A Table compiled from the Wreck Register of the Board of Trade, showing the Numbers of Lives Saved—distinguishing the Means—and their Percentages upon the Total Number of Lives Saved on the Coasts of the United Kingdom for the average of Ten Years ending 1873-4 *inclusive, and for the year* 1873-4 *respectively. By Henry Jeula, of Lloyd's.*

By what means Saved.	Numbers.		Percentages.	
	10 years' average.	1873-4.	10 years' average.	1873-4.
By Lifeboats	430	310	9·37	10·13
„ Rocket and Mortar Apparatus and assistance with Ropes from Shore	375	175	8·17	5·72
„ Luggers, Coastguard Boats, and Small Craft	438	309	9·54	10·10
„ Ships and Steamboats	870	516	18·95	16·86
„ Ship's own Boats	2035	1525	44·34	49·84
„ Individual exertion	7	4	·15	·13
„ Other means	435	221	9·48	7·22
Total	4590	3060	100·00	100·00

Two Tables, compiled from the Wreck Register of the Board of Trade, showing the Numbers and Totals, with the Percentages thereon, of the various causes of Wrecks and Casualties (excluding Collisions), and of Collisions (only), with a General Summary upon the Total Wrecks, Casualties, and Collisions on the Coasts of the United Kingdom for the average of Ten Years ending 1873-4 inclusive, and for the year 1873-4 respectively.

TABLE No. 1.
Various Causes of Wrecks and Casualties (excluding Collisions).

	Numbers and Percentages thereon.											
	Total Loss.				Partial Loss.				Total.			
	Numbers.		Percentage.		Numbers.		Percentages.		Numbers.		Percentages.	
	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.
CLASS I. *Arising from Stress of Weather:—*												
Foundered	62	19	12·89	5·49	...	...	...	...	62	19	4·41	1·34
Leaky	...	...	...	...	74	49	8·01	4·55	74	49	5·27	3·45
Driven or run on a Sand or Lee Shore	53	37	11·02	10·70	38	32	4·11	2·98	91	69	6·48	4·85
Parted Cables	30	20	6·24	5·78	48	27	5·19	2·51	78	47	5·55	3·31
Dragged Anchors	19	9	3·95	2·60	40	25	4·33	2·32	59	34	4·20	2·39
Damage to Hull or Rudder, or loss of Masts, Yards, Sails, &c.	35	21	7·28	6·07	257	358	27·82	33·27	292	379	20·78	26·65
Shifting of Cargo or Ballast	4	4	·83	1·15	14	8	1·95	·75	18	12	1·28	·84
Missing Stays	7	4	1·46	1·15	10	7	1·08	·65	17	11	1·21	·77
Failing to make Harbour or Stranding whilst entering	12	7	2·49	2·03	18	15	1·52	1·39	30	22	2·13	1·55
Capsized	3	7	·62	2·02	3	4	·32	·37	6	11	·43	·77
Total Class I.	225	128	46·78	36·99	502	525	54·33	48·79	727	653	51·74	45·92
CLASS II. *Arising from Inattention, Carelessness, and Neglect:—*												
Error, neglect, or incompetency of Master or Mate	67	73	13·93	21·10	103	128	11·15	11·90	170	201	12·11	14·14
Ditto ditto of Pilots	7	5	1·46	1·45	23	21	2·49	1·95	30	26	2·13	1·83
Improper Stowage	...	1	...	·29	2	3	·21	·28	2	4	·14	·28
Not heaving Lead	20	14	4·15	4·04	29	28	3·14	2·60	49	42	3·49	2·95
Total Class II.	94	93	19·54	26·88	157	180	16·99	16·73	251	273	17·87	19·20

CLASS III. *Arising from Defects in Ships or Equipments:—*												
Foundered or Leaky from Unseaworthiness	34	19	7·06	5·49	32	22	3·46	2·04	66	41	4·70	2·89
Overladen	7	1	1·46	·29	12	7	1·29	·65	19	8	1·35	·56
Defective Charts, insufficient Manning, unsound Gear or Equipments, Imperfect Repairs or Defective Construction	10	7	2·08	2·02	36	57	3·89	5·30	46	64	3·27	4·50
Local Attraction and Defects of Compasses	3	3	·63	·87	5	5	·56	·46	8	8	·57	·56
Total Class III.	54	30	11·23	8·67	85	91	9·20	8·45	139	121	9·89	8·51
CLASS IV. *Arising from Various Causes:—*												
Thick and Foggy Weather	28	21	5·82	6·07	52	63	5·64	5·86	80	84	5·69	5·92
Leaky, &c., through Heavy Seas	14	10	2·91	2·90	47	90	5·09	8·37	61	100	4·34	7·03
Strong Currents or Heavy Seas and Light Winds	13	4	2·70	1·15	22	28	2·38	2·60	35	32	2·49	2·25
Want of Lights or Buoys on Coasts and Shoals	1	1	·21	·29	3	3	·32	·28	4	4	·28	·28
Want of Pilot	2	2	·42	·58	6	4	·64	·37	8	6	·57	·42
Want of Power in Steam Tugs or Defective Tow Ropes	2	...	·42	...	4	1	·43	·09	6	1	·43	·07
Striking on Sunken Wreck, &c.	6	1	1·24	·29	7	8	·76	·75	13	9	·93	·63
Spontaneous Combustion	2	...	·42	...	2	1	·22	·09	4	1	·28	·07
Injured by Fire or Lightning	3	2	·62	·58	4	5	·43	·46	7	7	·50	·49
Damage to Boilers or Machinery	1	4	·21	1·15	1	...	·11	...	2	4	·14	·28
Accidental	7	8	1·45	2·31	21	47	2·27	4·37	28	55	2·00	3·87
Combination of causes	...	...	...	...	1	1	·11	·09	1	1	·07	·07
Total Class IV.	79	53	16·42	15·32	170	251	18·40	23·33	249	304	17·72	21·38
CLASS V. *Causes Unknown:—*	29	42	6·03	12·14	10	29	1·08	2·70	39	71	2·78	4·99
SUMMARY. *Various Causes of Wrecks and Casualties (excluding Collisions):—*												
Class I.	225	128	46·78	36·99	502	525	54·33	48·79	727	653	51·74	45·92
Class II.	94	93	19·54	26·88	157	180	16·99	16·73	251	273	17·87	19·20
Class III.	54	30	11·23	8·67	85	91	9·20	8·45	139	121	9·89	8·51
Class IV.	79	53	16·42	15·32	170	251	18·40	23·33	249	304	17·72	21·38
Class V.	29	42	6·03	12·14	10	29	1·08	2·70	39	71	2·78	4·99
Total	481	346	100·00	100·00	924	1076	100·00	100·00	1405	1422	100·00	100·00

TABLE No. 2.

The Various Causes of Collisions (only) and General Summary.

	Numbers and Percentages thereon.					
	Total Loss.				Partial Loss.	
	Numbers.		Percentages.		Numbers.	
	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.
Class I.						
Parting Cables, Dragging Anchors, Breaking Sheer, and Fouling	6	...	7·32	...	47	28
Missing Stays	...	...	...	...	2	1
Anchoring in Foul Berth	...	...	...	...	7	11
Want of Sea Room	...	1	...	1·61	4	1
Thick and Foggy Weather	7	2	8·54	3·23	16	20
Total of Class I.	13	3	15·86	4·84	76	61
Class II.						
Bad Look-out	21	13	25·61	20·96	55	42
Neglecting to show proper Light	7	9	8·54	14·52	13	11
Neglect or Misapplication of Steering or Sailing Rules	15	16	18·28	25·81	44	48
Error of Pilot	1	...	1·22	...	6	5
Want of Seamanship	3	...	3·66	...	19	11
General Negligence and Want of Caution	6	7	7·32	11·29	28	38
Total of Class II.	53	45	64·63	72·58	165	155
Class III.						
Inevitable Accident	4	4	4·88	6·45	22	22
Error in Judgment	8	3	9·75	4·84	38	39
Cause Unknown	4	7	4·88	11·29	13	42
Total of Class III.	16	14	19·51	22·58	73	103
Summary—*Collisions (only)*.						
Class I.	13	3	15·86	4·84	76	61
Class II.	53	45	64·63	72·58	165	155
Class III.	16	14	19·51	22·58	73	103
Total	82	62	100·00	100·00	314	319
General Summary.						
Various Causes of Wrecks and Casualties (excluding Collisions)	481	346	85·44	84·80	924	1076
Collisions (only)	82	62	14·56	15·20	314	319
Total	563	408	100·00	100·00	1238	1395
Various Causes of Wrecks and Casualties (excluding Collisions)	481	346	26·71	19·19	924	1076
Collisions (only)	82	62	4·55	3·44	314	319
Total Loss	563	408	31·26	22·63		
Partial Damage	. .	. .	. .	. .	1238	1395

TABLE No. 2.

The Various Causes of Collisions (only) and General Summary.

	Numbers and Percentages thereon.					
	Partial Loss.		Total.			
	Percentages.		Numbers.		Percentages.	
	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.
CLASS I.						
Parting Cables, Dragging Anchors, Breaking Sheer, and Fouling	14·97	8·77	53	28	13·38	7·35
Missing Stays	·63	·32	2	1	·51	·26
Anchoring in Foul Berth	2·23	3·45	7	11	1·76	2·89
Want of Sea Room	1·27	·31	4	2	1·01	·52
Thick and Foggy Weather	5·10	6·27	23	22	5·81	5·78
Total of Class I.	24·20	19·12	89	64	22·47	16·80
CLASS II.						
Bad Look-out	17·52	13·15	76	55	19·19	9·44
Neglecting to show proper Light	4·14	3·45	20	20	5·05	5·25
Neglect or Misapplication of Steering or Sailing Rules	14·01	15·05	59	64	14·90	16·79
Error of Pilot	1·90	1·57	7	5	1·76	1·31
Want of Seamanship	6·05	3·45	22	11	5·56	2·89
General Negligence and Want of Caution	8·93	11·92	34	45	8·59	11·81
Total of Class II.	52·55	48·59	218	200	55·05	52·49
CLASS III.						
Inevitable Accident	7·01	6·90	26	26	6·57	6·83
Error in Judgment	12·10	12·23	46	42	11·62	11·02
Cause Unknown	4·14	13·16	17	49	4·29	12·86
Total of Class III.	23·25	32·29	89	117	22·48	30·71
SUMMARY—*Collisions (only)*.						
Class I.	24·20	19·12	89	64	22·47	16·80
Class II.	52·55	48·59	218	200	55·05	52·49
Class III.	23·25	32·29	89	117	22·48	30·71
Total	100·00	100·00	396	381	100·00	100·00
GENERAL SUMMARY.						
Various Causes of Wrecks and Casualties (excluding Collisions)	74·64	77·13	1405	1422	78·01	78·87
Collisions (only)	25·36	22·87	396	381	21·99	21·13
Total	100·00	100·00	1801	1803	100·00	100·00
Various Causes of Wrecks and Casualties (excluding Collisions)	51·30	59·68	1405	1422	78·01	78·87
Collisions (only)	17·44	17·69	396	381	21·99	21·13
Partial Damage	68·74	77·37				
Total			1801	1803	100·00	100·00

Two Tables compiled from the Wreck Register of the Board of Trade, showing the Numbers of Wrecks, Casualties, and Collisions, for (1) *the Varying Force of the Wind, and* (2) *the Different Directions of the Wind, with their Percentages upon the Total Number of Wrecks, Casualties, and Collisions on the Coasts of the United Kingdom for the average of Ten Years ending* 1873-4 *inclusive, and for the year* 1873-4 *respectively. By Henry Feula, of Lloyd's.*

TABLE No. 1. Force of the Wind.	Numbers.		Percentages.	
	10 years' average.	1873-4.	10 years' average.	1873-4.
0. Calm	23	29	1·27	1·61
1. Light Airs, just sufficient for Steerage Way	36	48	1·99	2·66
2. Light Breeze; all sail and clean full, 1—2 knots	101	129	5·59	7·15
3. Gentle Breeze; " " 3—4 "	40	68	2·21	3·77
4. Moderate Breeze; " " 5—6 "	169	211	9·35	11·70
5. Fresh Breeze; could carry Royals in Chase full and by	213	234	11·79	12·97
6. Strong Breeze; " Single Reefs and Top-Gallant-Sails full and by	233	283	12·89	15·70
7. Moderate Gale; could carry Double Reefs and Jib full and by	92	165	5·09	9·16
8. Fresh Gale; could carry Treble Reefs, &c., full and by	102	149	5·65	8·27
9. Strong Gale; could carry Close Reefs and Courses full and by	432	205	23·90	11·37
10. Whole Gale; could carry Close Reefed Main-Top-sail and Reefed Foresail full and by	192	160	10·63	8·87
11. Storm; could carry Storm Staysail	37	31	2·05	1·72
12. Hurricane; under Bare Poles	67	27	3·71	1·50
Variable	6	22	·33	1·22
Unknown	64	42	3·55	2·33
Total	1807	1803	100·00	100·00

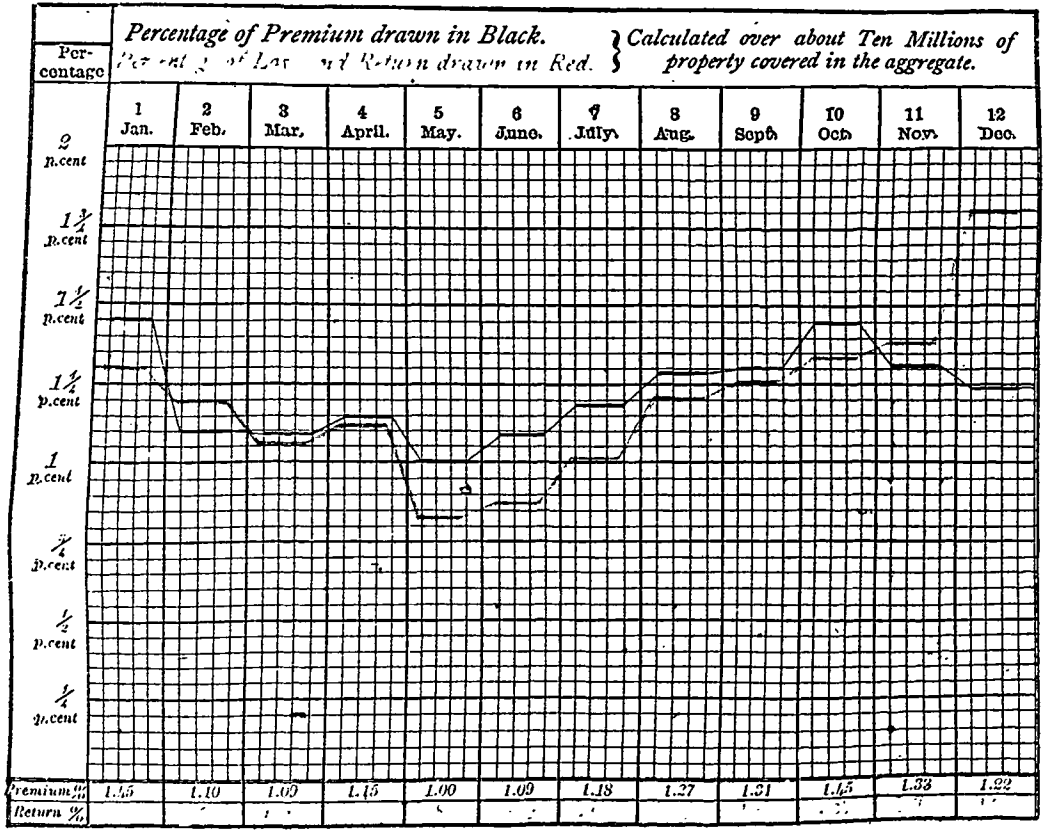
TABLE No. 2.	Numbers.				Percentages.			
Direction of Wind.	Ten Years' Average.		1873-4.		Ten Years' Average.		1873-4.	
North	65		48		3·60		2·66	
N. by E.	9		5		·50		·28	
N.N.E.	61		26		3·38		1·44	
N.E. by N.	6		1		·33		·06	
		141		80		7·81		4·44
N.E.	97		68		5·37		3·77	
N.E. by E.	8		4		·44		·22	
E.N.E.	62		25		3·43		1·39	
E. by N.	12		7		·67		·39	
		179		104		9·91		5·77
East	71		62		3·93		3·44	
E. by S.	13		10		·72		·55	
E.S.E.	60		58		3·32		3·22	
S.E. by E.	6		7		·33		·39	
		150		137		8·30		7·60
S.E.	99		90		5·48		4·99	
S.E. by S.	7		4		·39		·22	
S.S.E.	72		89		3·98		4·94	
S. by E.	11		10		·61		·55	
		189		193		10·46		10·70
South	96		98		5·31		5·43	
S. by W.	14		7		·77		·39	
S.S.W.	135		116		7·47		6·44	
S.W. by S.	14		15		·75		·83	
		259		236		14·32		13·09
S.W.	203		203		11·23		11·26	
S.W. by W.	16		19		·89		1·05	
W.S.W.	125		148		6·92		8·21	
W. by S.	18		25		1·00		1·39	
		362		395		20·04		21·91
West	109		162		6·03		8·98	
W. by N.	20		24		1·11		1·33	
W.N.W.	98		138		5·42		7·65	
N.W. by W.	8		11		·44		·61	
		235		335		13·00		18·57
N.W.	111		163		6·14		9·04	
N.W. by N.	7		4		·39		·22	
N.N.W.	56		60		3·10		3·33	
N. by W.	7		7		·39		·39	
		181		234		10·02		12·98
Calm	21		29		1·16		1·61	
Variable	11		13		·61		·72	
Unknown	79		47		4·37		2·61	
Total		111		89		6·14		4·94
		1807		1803		100·00		100·00

A Table Compiled from the Wreck Register of the Board of Trade of the Number of Collisions, distinguishing the Time and State of the Weather when they happened, and their percentages upon the Total Number of Collisions on or near the Coasts of the United Kingdom for the Average of Ten Years ending 1873-4 *inclusive, and for the Year* 1873-4 *respectively. By Henry Feula, of Lloyd's.*

Weather.	Time.								Total.			
	Day, Between 6 A.M. and 6 P.M.				Night, Between 6 P.M. and 6 A.M.							
	Numbers.		Percentages.		Numbers.		Percentages.		Numbers.		Percentages.	
	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.	10 years' average.	1873-4.
Dark	1	1	·25	·26	13	14	3·29	3·67	14	15	3·54	3·93
Dark and clear	...	...	...	...	11	6	2·79	1.57	11	6	2·79	1·57
Very dark	...	...	...	...	5	3	1·26	·79	5	3	1·26	·79
Hazy	10	17	2·53	4·47	31	42	7·85	11·02	41	59	10·38	15·49
Cloudy	11	12	2·79	3·15	23	19	5·82	4·99	34	31	8·61	8·14
Thick and foggy	19	8	4·81	2·10	40	30	10·13	7·88	59	38	14·94	9·98
Clear and fine	73	81	18·48	21·26	93	117	23·54	30·71	166	198	42·02	51·97
Squally or unknown	25	10	6·33	2·62	40	21	10·13	5·51	65	31	16·46	8·13
By day	139	129	35·19	33·86								
„ night	...	...	...	...	256	252	64·81	66·14				
Total	...	...	...	...	...	...	...	...	395	381	100·00	100·00

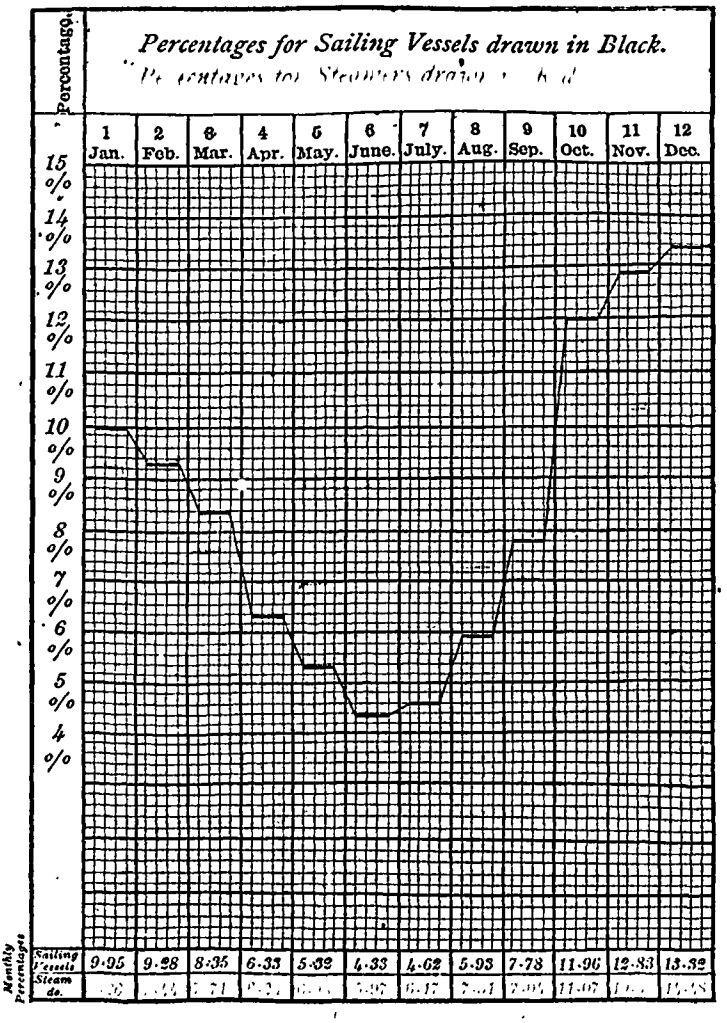
Note.—Two or more vessels may be in collision at the same time, but such a casualty would be recorded as *one* collision.

A Diagram, showing the approximate Average Premium and return per cent. upon Liability for Marine Insurance for each Month of the Year, resulting from the Accounts of different Underwriters, for the Twenty Years from 1853 to 1872, inclusive.
By HENRY JEULA, of Lloyd's.



A Diagram, showing the Average Monthly Percentage on the Annual Total of Losses posted on Lloyd's Loss Book for the Five Years from 1870 to 1874, inclusive.

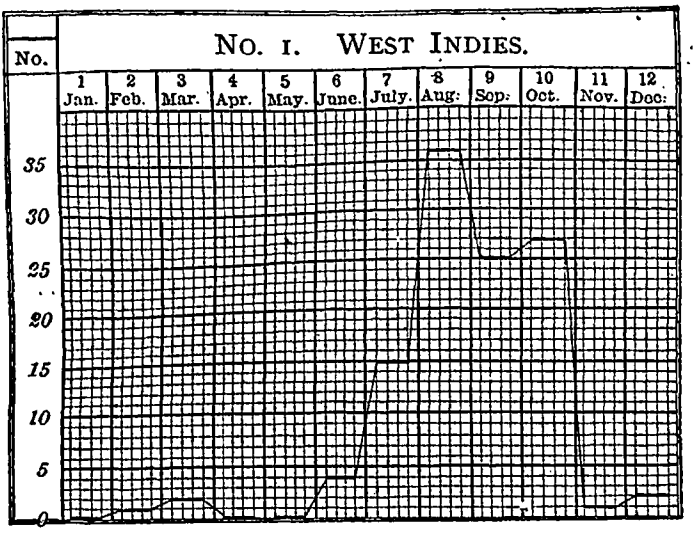
By HENRY JEULA, of Lloyd's.

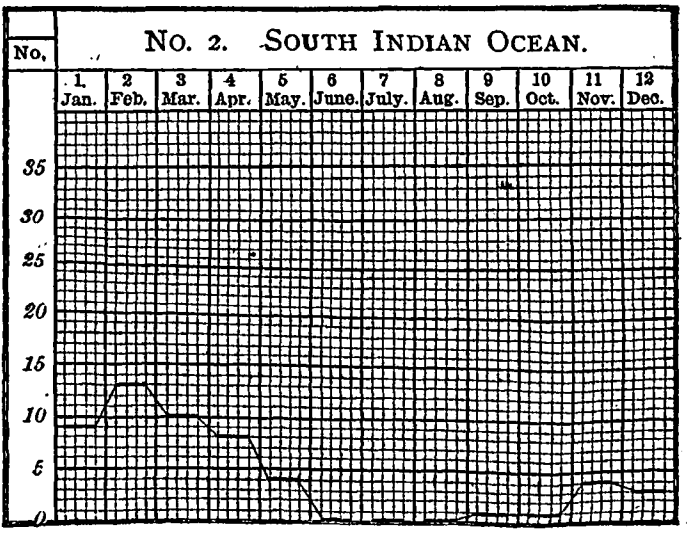


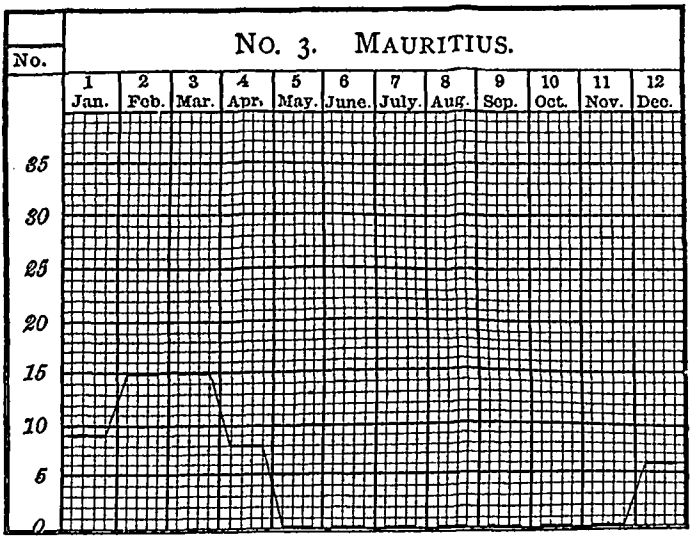
SIX DIAGRAMS,

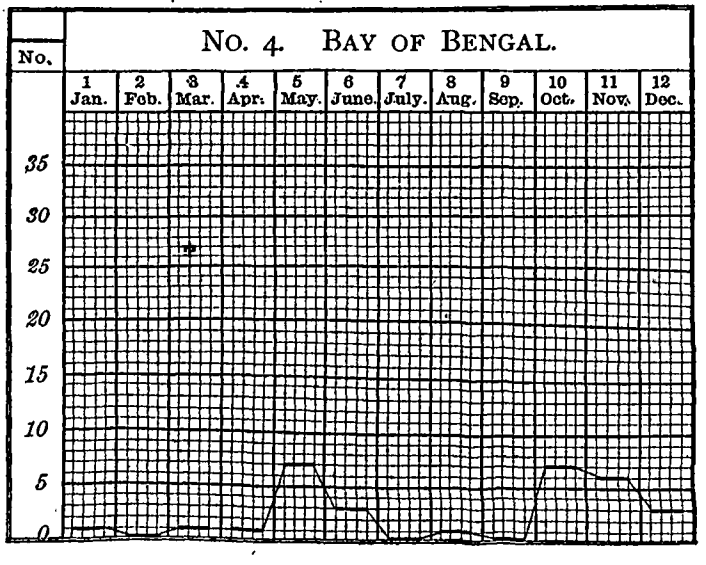
Showing the Number of Cyclones or Hurricanes noted in various localities in each Month of the Year in Ten Years.

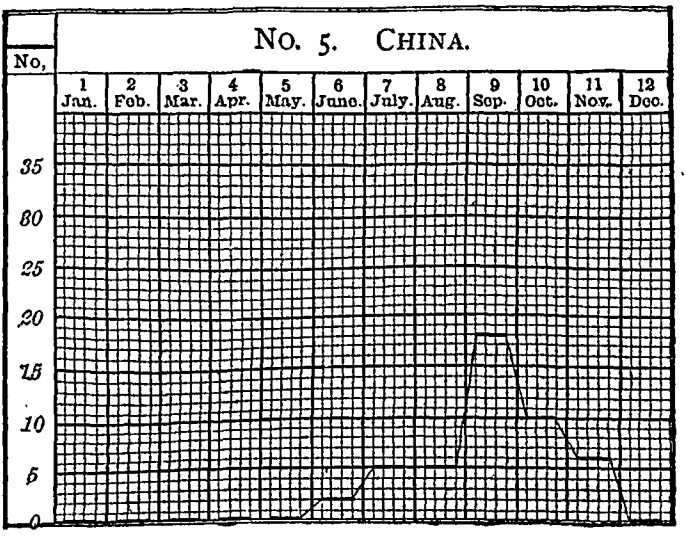
Drawn by HENRY JEULA (Lloyd's), from materials furnished by CLAYTON LITCHFIELD, Esq. (Lloyd's).

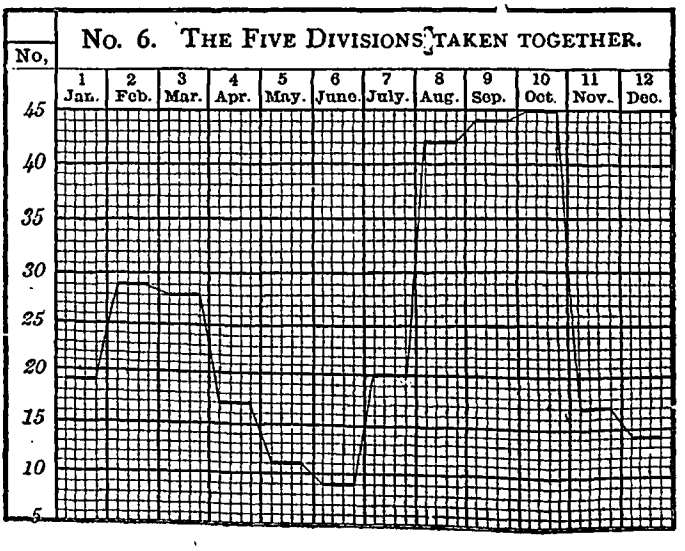





No.
No. 3. MAURITIUS.
1 Jan.
2 Feb.
3 Mar.
4 Apr.
5 May.
6 June.
7 July.
8 Aug.
9 Sep.
10 Oct.
11 Nov.
12 Dec.
35
30
25
20
15
10
5
0


No.
No. 4. BAY OF BENGAL.
1 Jan.
2 Feb.
3 Mar.
4 Apr.
5 May.
6 June.
7 July.
8 Aug.
9 Sep.
10 Oct.
11 Nov.
12 Dec.
35
30
25
20
15
10
5
0


No. 5. China.
No,
1 Jan.
2 Feb.
3 Mar.
4 Apr.
5 May.
6 June.
7 July.
8 Aug.
9 Sep.
10 Oct.
11 Nov.
12 Dec.
35
30
25
20
15
10
5
0


No. 6. The Five Divisions taken together.
No,
1 Jan.
2 Feb.
3 Mar.
4 Apr.
5 May.
6 June.
7 July.
8 Aug.
9 Sep.
10 Oct.
11 Nov.
12 Dec.
45
40
35
30
25
20
15
10
5

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